



COVID FEDERAL FINANCIAL ASSISTANCE

Syrja & Associates Private Wealth Management

As of April 13, 2020

All the information you need to know about the COVID-19 Federal Financial Assistance. If you have any questions about this document, please do not hesitate to reach out to us.

Tax Relief – Extension of Tax Filing Deadlines and Tax Payment Due Dates

Tax filing deadlines have been extended for individuals and trusts (with December 31st year-ends). As well, deadlines for the payment of taxes, including installments, have been extended for individuals, trusts and corporations, with no interest or penalties accumulating on these amounts during the extension period. The extension on payments does not apply to payroll remittances.

INDIVIDUALS

- The deadline for filing 2019 personal income tax returns is postponed to June 1, 2020. However, the Canada Revenue Agency (CRA) encourages individuals who expect to receive benefits under the GST Credit or the Canada Child Benefit not to delay the filing of their tax return to ensure their entitlements for the 2020-21 benefit year are properly determined.
- The filing date for self-employed individuals and their spouses or common-law partners remains unchanged as June 15, 2020
- For all individuals, including the self-employed, the deadline for paying taxes that become owing on or after March 18, 2020 and before September 2020 is deferred until September 1, 2020. This includes taxes owing for the 2019 taxation year and installment payments for 2020.

TRUSTS

- The deadline for filing 2019 trust tax returns is deferred until May 1, 2020 for trusts with December 31st year-ends.
- The payment of taxes, including installments, that become owing on or after March 18, 2020 and before September 2020 is deferred until September 1, 2020.

CORPORATIONS

- The deadline for paying Part I income taxes that become owing on or after March 18, 2020 and before September 2020 is deferred until September 1, 2020. This relief applies to tax balances due as well as instalments.
- No extensions to corporate tax return filing deadlines have been announced by the CRA to-date.

ELECTRONIC FILING AND ELECTRONIC SIGNATURES

Individuals and corporations are encouraged to e-file their tax returns if they expect a refund. As a temporary administrative measure, electronic signatures will be accepted to authorize electronic filing.

QUEBEC TAX FILERS

The Quebec government has announced similar tax filing and payment deadline extensions for individuals, trusts and businesses.

ALBERTA TAX FILERS

Corporate income tax balances and installment payments coming due between March 18, 2020 and August 31, 2020 are deferred until August 31, 2020.

Provinces other than Alberta and Quebec do not have separate corporate tax returns and thus will have the same deferral as provided under the Federal extension.

GOODS AND SERVICES TAX (GST), HARMONIZED SALES TAX (HST), IMPORT DUTIES AND SALES TAX ON IMPORTS

On March 27, the Government of Canada announced that payments by businesses of GST, HST, import duties and sales taxes on imports will be deferred until June 30, 2020. For More information please visit:

<https://www.canada.ca/en/department-finance/news/2020/03/additional-support-for-canadian-businesses-from-the-economic-impact-of-covid-19.html>

Measures Impacting Individuals

25% REDUCTION IN RRIF MINIMUM PAYMENTS FOR 2020

The required **minimum withdrawals** from RRIFs are reduced by 25% for 2020, recognizing that recent volatile market conditions impact many seniors' retirement savings and providing some flexibility for those concerned that they **MAY** be required to liquidate RRIF assets to meet minimum withdrawal requirements. Similar rules will apply to individuals receiving variable benefit payments under a defined contribution registered pension plan.

*Any client who does not need the full current minimum should speak to their IG Consultant.

EMPLOYMENT INSURANCE

Effective as of March 15 - Temporarily waiving:

- The one-week waiting period for those individuals in imposed quarantine that claim Employment Insurance (EI) sickness benefits.

NEW CANADA EMERGENCY RESPONSE BENEFIT

The new Canada Emergency Response Benefit (CERB) will provide a taxable benefit of \$2,000 per Month for up to 4 Months for workers who lose their income as a result of COVID-19. This benefit will apply to wage earners, as well as to contract workers and self-employed individuals who would not otherwise qualify for EI. The CERB will provide income support to:

- Individuals who have lost their job, are sick, quarantined, or taking care of someone who is sick with COVID-19,
- Working parents who Must stay home without pay to care for children who are sick or at home because of school and daycare closures,
- Workers who are still employed, but are not receiving income because of disruptions to their work situation due to COVID-19, and
- Self-employed individuals who are not earning any income as a result of COVID-19.

Individuals already receiving EI regular and sickness benefits would continue to receive those benefits and should not apply for the CERB, however if their EI benefits end prior to October 3, 2020, they could apply for the CERB once their EI benefits cease if they are unable to return to work due to COVID-19.

To be eligible for the CERB, individuals must be at least 15 years old and for 2019 or in the 12-MONTH period preceding their application have had income of at least \$5,000. The application for the CERB is to be made available the week of April 6 through CRA's My Account (a secure online portal), an automated telephone line, or through a toll-free number. We encourage you to consider setting up your CRA My Account right away and sign up for direct deposit to receive your benefits quicker.

GOODS AND SERVICES TAX CREDIT

For low and modest-income families, the Government is providing a one-time special payment by early May 2020 doubling the maximum annual Goods and Services Tax credit payment amounts for the 2019-20 benefit year. There is no need to apply for this payment. Eligible individuals will receive it automatically.

CANADA CHILD BENEFIT

The Government is increasing the maximum annual payment amounts for the 2019-20 benefit year by \$300 per child. Qualifying families will automatically receive an extra \$300 per child as part of their May payment.

Mortgages and Banking Measures

STUDENT LOANS

Six-Month interest-free moratorium on the repayment of Canada Student Loans for all individuals currently in the process of repaying these loans.

MORTGAGES AND OTHER CREDIT RELIEF

- Canada Mortgage and Housing Corporation (CMHC) is providing increased flexibility for homeowners facing financial difficulties to defer mortgage payments on homeowner CMHC-insured mortgage loans. CMHC will permit lenders to allow payment deferral beginning immediately.
- Through Canada's large banks, a deferral of up to six months for Mortgage payments and possible relief on other credit products may be available.

SUPPORT MEASURES FOR IG WEALTH MANAGEMENT MORTGAGE AND SOLUTIONS BANKING CLIENTS

IG Wealth Management and our partners at Solutions Banking have implemented the following support measures for those clients directly affected by the global Coronavirus outbreak:

Mortgage Clients

- No new enforcement activity will occur at this time.
- Clients facing financial difficulty may contact us, and we will work with them on a plan that's best suited to their needs. Plans may include payment deferrals or capitalization of payments.
- The Mortgage Contact Centre is open Monday to Friday, 7:00 a.m. to 7:00 p.m. (CST) at 1-800-328- 6488 and a Client Service Representatives can assist in arranging a mortgage payment deferral.

Solutions Banking clients

- Affected Solutions Banking clients may contact Solutions Banking to work with them to determine solutions, on a case-by-case basis, depending on their personal situation. These measures may include payment deferral on credit products, including the Solutions Banking Mortgage and All-in- One, or requesting alternate financing.
- Clients are invited to contact a Solutions Banking representative at 1-877-999-7575 to inquire about their specific file, Monday to Friday from 8:00 a.m. to 6:00 p.m. (EST).

Measures Impacting Businesses

CANADA EMERGENCY WAGE SUBSIDY

The Canada Emergency Wage Subsidy (CEWS) will cover 75% of wages paid by eligible employers up to a weekly maximum subsidy of \$847 per employee and will apply for the 12-week period from March 15 to June 6, 2020. There is no limit on the number of employees for which an employer can claim the subsidy or the total subsidy that can be claimed by an employer.

What is Eligible Remuneration?

Eligible remuneration includes salary, wages, and other remuneration but would not include severance pay, or items such as stock option benefits or the personal use of a corporate vehicle.

Who is an Eligible Employer?

Eligible employers include individuals, taxable corporations, and partnerships consisting of eligible employers. The subsidy will also be available to charities and non-profits. To receive this subsidy, a business must have experienced a decrease in gross revenue of at least 30% in March, April or May 2020 in comparison to the same month in 2019.

Other important information

- Organizations that don't qualify for the Canada Emergency Wage Subsidy may continue to qualify for the previously announced temporary small business wage subsidy (TSBWS).
- For employers that are eligible for both the CEWS and the TSBWS for a period, any benefit received from the 10 per cent wage subsidy (TSBWS), for remuneration paid in a specific period, would generally reduce the amount available to be claimed under the CEWS in that same period.
- Employers are not eligible to claim the Canada Emergency Wage Subsidy for remuneration paid to an employee in a week that falls within a 4-week period for which the employee is eligible for the Canadian Emergency Response Benefit.
- Employers receiving this subsidy are required to report the total amount received as taxable income in the year it is received.

How to Apply

Eligible employers will be able to access the CEWS by applying through the Canada Revenue Agency's My Business Account portal as well as a web-based application which is expected to be available sometime between the end of April and mid-May, with funds expected to be available in mid-May. The Government encourages businesses to register for direct deposit with the CRA to ensure they receive funds quicker. Finance is currently working on draft legislation as well as additional details of these incentives and how they will be administered. For further information on this subsidy, please visit: <https://www.canada.ca/en/department-finance/news/2020/04/the-canada-emergency-wage-subsidy.html>

TEMPORARY SMALL BUSINESS WAGE SUBSIDY (TSBWS)

- The TSBWS provides eligible small employers with a temporary wage subsidy for a period of up to three months. The subsidy is equal to 10% of remuneration paid during that period, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer. Legislation implementing this Measure was passed on March 25.
- Employers eligible for the TSBWS include sole proprietorships and partnerships with employees, corporations eligible for the small business deduction, as well as non-profit organizations and charities. In order to qualify, the business must have had an existing business number and payroll program account with the CRA on March 18, 2020.
- To benefit from this support, employers can reduce their remittances of income tax withheld on their employees' remuneration by the amount of the subsidy. Employers can start reducing employee income

tax remittances in the first remittance period that includes remuneration paid between March 18, 2020, and June 20, 2020. Employers cannot reduce remittance of other source deductions such as Canada Pension Plan/Quebec Pension Plan contributions and employment Insurance premiums.

- If an eligible employer does not reduce payroll remittances during the year, a request can be made to either have the subsidy be paid at the end of the year or be transferred to the next year's remittance.
- Employers receiving this subsidy are required to report the total amount received as taxable income in the year it is received.

INCREASING CREDIT AVAILABLE TO BUSINESSES

- On March 27, the Government of Canada announced the creation of the new Canada emergency Business Account. This program will allow banks to provide loans of up to \$40,000, guaranteed by the Government of Canada, to qualifying small businesses and non-profits. The loans will be interest free for the first year. Repaying the balance of the loan on or before December 31, 2022 will allow for loan forgiveness of 25 percent (up to \$10,000).
 - To qualify, these organizations will need to demonstrate that they paid between \$50,000 to \$1 million in total payroll in 2019.
 - Small businesses and not-for-profits should contact their financial institution to apply for these loans.
- The Business Development Bank of Canada (BDC) and Export Development Canada (EDC) to provide More than \$10 billion of additional support to businesses experiencing cash flow difficulties. On March 27, the Government of Canada announced that a further \$12.5 billion of financing will be made available through these programs. More information on the Business Credit Availability Program can be found at: <https://www.canada.ca/en/department-finance/programs/financial-sector-policy/business-credit-availability-program.html>.
- The near-term credit available to farmers and the agri-food sector will be increased through Farm Credit Canada.

EMPLOYMENT INSURANCE WORK SHARING PROGRAM

The EI Work Sharing Program provides EI benefits to workers who agree to reduce their normal working hours as a result of developments beyond the control of their employers. Temporary changes to this program will extend the eligibility of such agreements to 76 weeks, ease eligibility requirements, and streamline the application process. For more information on eligibility and to apply, visit <https://www.canada.ca/en/employment-social-development/services/work-sharing/eligibility.html>.

CRA Audit Activity

The Canada Revenue Agency will temporarily suspend audit interaction with taxpayers and representatives for the majority of businesses.