



COVID BENEFITS FOR BUSINESS & INDIVIDUALS

 **SRJ** CHARTERED PROFESSIONAL
ACCOUNTANTS

AGENDA

1 Canada Emergency Wage Subsidy (CEWS)

2 Temporary Wage Subsidy (TWS)

3 Other Measures for Business

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AGENDA

4 Canada Emergency Response Benefit (CERB)

5 Tax Opportunities

6 Q & A

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COVID-19 & MEASURES FOR BUSINESS

CANADA EMERGENCY WAGE SUBSIDY (CEWS)

- **What is it?**
 - 75% wage subsidy available to eligible employers for up to 12 weeks
 - Any benefit received will be taxable for your business
- **Who is eligible?**
 - The employer needs to have experienced a revenue drop of at least 30% over the eligible periods in revenue from arms length sources (see reference period below).

	Claiming Period	Reference Period for Eligibility
Period 1	March 15 - April 11	March 2020 over March 2019
Period 2	April 12 - May 9	April 2020 over April 2019
Period 3	May 10 - June 6	May 2020 over may 2019

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COVID-19 & MEASURES FOR BUSINESS

CANADA EMERGENCY WAGE SUBSIDY (CEWS)

■ How is it calculated?

- The subsidy is equal to the greater of:
 - 75% of remuneration paid to an employee, to a weekly maximum of \$847, or
 - 75% of weekly remuneration paid to an employee pre-crisis, up to the same maximum

■ Non Arm's Length Employees

- Generally considered business owners or persons that are related to the business owners
- Subsidy amount will be limited to actual eligible remuneration between March 15 and June 6, 2020

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COVID-19 & MEASURES FOR BUSINESS

CANADA EMERGENCY WAGE SUBSIDY (CEWS)

- **How do you apply?**
 - Through CRA's My Business Account
 - Go online to CRA website to begin process immediately if you qualify
 - First payments expected in May
 - Monthly application

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COVID-19 & MEASURES FOR BUSINESS

TEMPORARY WAGE SUBSIDY (TWS)

- **What is it?**
 - Three month subsidy to allow eligible employers to reduce amount of payroll deductions
 - Any benefit received will be taxable for your business
- **Who is eligible?**
 - An eligible employer includes an individual, partnership, non-profit organization, registered charity or Canadian-Controlled Private Corporation.
- **How is it calculated?**
 - The subsidy is equal to 10% of remuneration that you pay from March 18, 2020 to June 19, 2020 up to \$1,375 for each eligible employee
 - Business can receive up to a maximum of \$25,000

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COVID-19 & MEASURES FOR BUSINESS

TEMPORARY WAGE SUBSIDY (TWS)

- **How do you apply?**
 - Calculated manually by whoever completes payroll remittances
 - Payroll providers (ADP, Payment Evolution, Quickbooks) will have this calculation built into their systems
 - Once subsidy amount is calculated reduce current payroll remittance of federal, provincial or territorial income tax that you send to the CRA by the amount of the subsidy
 - Cannot reduce CPP or EI remittances by the subsidy

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COVID-19 & OTHER MEASURES FOR BUSINESS

CANADA EMERGENCY BUSINESS ACCOUNT

- **What is it?**
 - \$40,000 interest free loans to small businesses
 - If repaid by December 31, 2022, up-to 25% (i.e. up-to \$10,000) will be **forgiven**
 - After December 31, 2022 the loans will convert to interest bearing loans
 - Obtain more information through your financial institution and directly apply through the bank

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TAX FILING AND INSTALMENT DEADLINES

NEW TAX DEADLINES FOR PAYMENTS AND INSTALMENTS

■ CORPORATE TAX

- Defer tax payments that become payable between March 18, 2020 and September 2020 until after August 31, 2020 without interest or late payment penalties

■ GST/HST PAYMENTS

- Defer all GST/HST payments until June 30, 2020 depending on your filing period:
 - February, March and April remittances for monthly filers
 - January - March reporting period for quarterly filers
 - 2019 amounts payable for annual filers

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COVID-19 & OTHER MEASURES FOR BUSINESS

PROVINCIAL MEASURES - ONTARIO

- **Employer Health Tax (EHT)**
 - Exemption is increasing from \$490,000 to \$1,000,000 for the 2020 tax year
- **Workplace Safety and Insurance Board (WSIB)**
 - Defer premium reporting and payments until August 31, 2020

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COVID-19 & MEASURES FOR INDIVIDUALS

CANADA EMERGENCY RESPONSE BENEFIT (CERB)

■ How is it calculated?

- Income support for those who have lost income due to COVID-19
- Any benefit received will be taxable for you personally
- Available from March 15, 2020 to October 3, 2020

■ Who is eligible?

- If you have been let go or had your hours reduced to zero due to COVID – 19;
- If you are in quarantine or sick due to COVID – 19;
- If you are taking care of someone who is in quarantine or sick due to COVID – 19; or
- If you are taking care of children/dependants because their ordinary care is closed due to COVID – 19.
- You had employment income or self-employment income of at least \$5,000 in 2019 or in the 12 months prior to the date of application.
- You are expecting to be without employment or self-employment income for at least 14 consecutive days in the initial four-week block. For any future four-week block, you have to be without employment or self-employment income for the whole block.

COVID-19 & MEASURES FOR INDIVIDUALS

CANADA EMERGENCY RESPONSE BENEFIT (CERB)

- **How is it calculated?**
 - Paid in blocks of four weeks up to \$2,000 per month as a single payment for a four week period
 - Re-apply every four weeks
 - Benefit available from March 15, 2020 to October 3, 2020
 - Any EI claims made during this period will also be processed through CERB
- **How do you apply?**
 - Applications open April 6 online through CRA My Account or over the phone

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COVID-19 & OTHER MEASURES FOR INDIVIDUALS

OTHER MEASURES ANNOUNCED FOR INDIVIDUALS & FAMILIES

- **An extra \$300 per child through Canada Child Benefit (CCB)**
 - Received by parents currently receiving the CCB as part of May payment
- **Increase to April GST payment received quarterly by eligible individuals and families**
 - Will see increase amount on April benefit
- **Personal Tax Filing Extension**
 - Deadline to file personal taxes extended to June 1, 2020 from April 30, 2020
- **Personal Tax PAYMENTS Extension**
 - Income Tax balances due, or instalments payable, will be deferred to August 31, 2020 without interest or penalties
- **Loan Deferrals**
 - Mortgage payment deferrals for six months
 - NO OSAP payments required for six months starting March 2020 without interest accruing
- **Ontario \$200 Payment per Child**
 - Providing one-time payment of \$200. Details to be announced



THANK YOU!

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