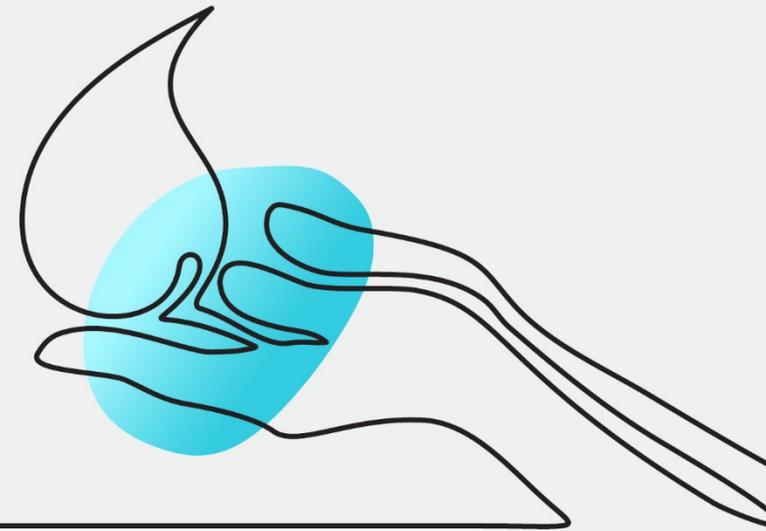
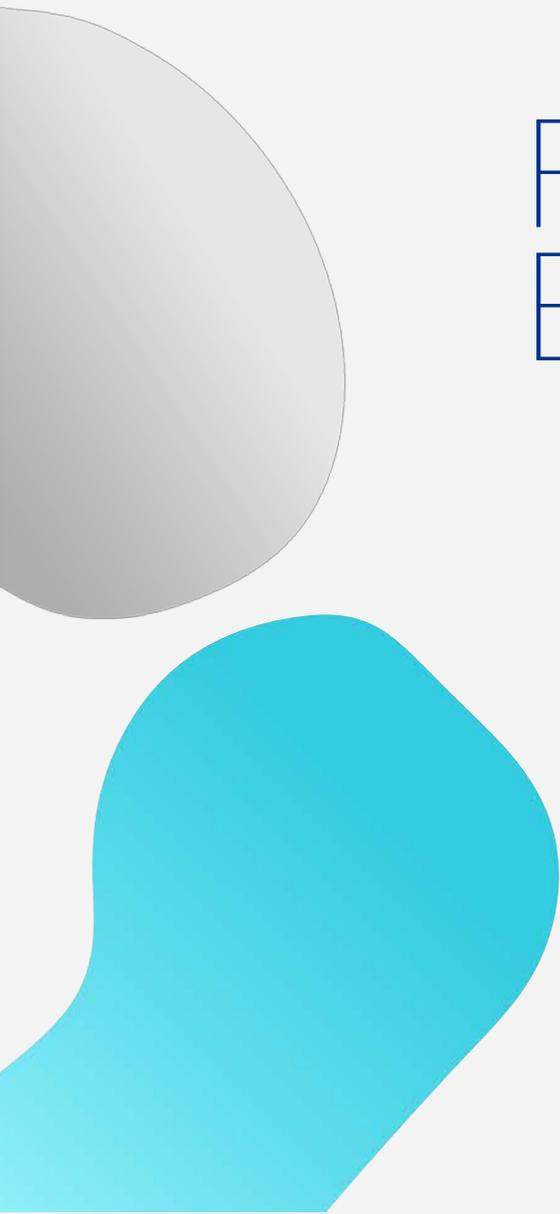




Federal Government & Province of British Columbia Economic Response Plan

APRIL 2, 2020





Federal Government's Economic Response Plan

Canada Emergency Response Benefits

Assistance for individuals who either can or cannot receive EI

Highlights

- The Canada Emergency Response Benefit (CERB) offers income support for up to 16 weeks to those who lose pay because of the pandemic.
- Canadians already receiving employment insurance (EI) regular benefits and sickness benefits will, as of March 15, 2020, continue to receive those benefits and should not apply to the CERB. If you applied after March 15, CERB will automatically apply
- Canadians who are eligible for regular EI and sickness benefits can still access those benefits if they're still unemployed after the 16-week period covered by the CERB.

Process

- The Canada Emergency Response Benefit will be accessible through a secure web portal starting in early April. Applicants will also be able to apply via an automated telephone line or via a toll-free number (to be announced).

Eligibility

- Wage earners and self-employed individuals, including contract workers, who would not otherwise be eligible for Employment Insurance. Must have earned at least \$5,000 of income during 2019
- CERB program to capture all EI applications after March 15, 2020, for following 16 weeks.

Benefit

- A taxable benefit of \$2,000 a month from March 15, 2020 to July 5th, 2020.

Status of Program

- **Target Launch date, April 6, 2020.**
- **Payments to be made within 10 days of application.**



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Canada Emergency Wage Subsidy

To support businesses that are facing revenue losses and to help prevent lay-offs

Highlights



- 12 week measure that will allow eligible employers to receive a wage subsidy directly from Canada Revenue Agency (CRA).
- Subsidy pays up to 75% of pre-crisis wages to a maximum benefit of \$847 per week.

Process



- Applications on-line via CRA Portal “My Business Account”.
- Will need to manually calculate and supply: Revenue Decline, Subsidy Amount, Eligible Period.
- Employers can start applying online mid May with a retroactive claim period starting March 15th.
- Employers will need to re-apply monthly for the program duration.

Additional Information



<https://www.canada.ca/en/department-finance/economic-response-plan/wage-subsidy.html>

Eligibility



- Proprietorships, taxable corporations, and partnerships, registered charities and some not for profits.
- Must demonstrate a 30% decline in revenue measured as same period, last year.

Benefit



- Subsidy is equal to 75% of the remuneration paid between March 15, 2020, and June 6, 2020 based on pre-crisis wages.
- Maximum benefit is \$847 per week ($\$58,700/52 \times 75\%$).

Status of Program



Application portal is expected to be available via CRA My Business Account starting in 6 weeks.



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Temporary Wage Subsidy for Employers

To support businesses that are facing revenue losses and to help prevent lay-offs

Highlights

- Three-month measure that will allow eligible employers to reduce the amount of payroll deductions required to be remitted to the Canada Revenue Agency (CRA).

Process

- The subsidy must be calculated manually.
- Once calculated, the Employer can reduce its current remittance of federal, provincial, or territorial income tax sent to the CRA by the amount of the subsidy.
- Employers can start reducing remittances of federal, provincial, or territorial income tax in the first remittance period that includes remuneration paid between March 18, 2020, and June 20, 2020 (**must continue to pay CPP & EI**).

Additional Information

<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>

Eligibility

- Canadian-controlled private corporations (CCPCs) with taxable capital in the prior taxation year of less than \$15M, proprietorships, certain partnerships, not for profit organizations, and charities.

Benefit

- Subsidy is equal to 10% of the remuneration paid between March 18, 2020, and June 20, 2020 – to a maximum of \$25,000 per employer or \$1,375 per employee.

Status of Program

Immediately available: businesses can start reducing remittances of federal, provincial, or territorial income tax in the first remittance period that includes remuneration paid between March 18, 2020, and June 20, 2020.



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Canada Emergency Business Account

Loan assistance for small businesses and not-for-profits

Highlights



- Government of Canada is announcing the launch of the new Canada Emergency Business Account, which will be implemented by eligible financial institutions in cooperation with Export Development Canada (EDC).

Process



- Businesses seeking support should contact their financial institutions to apply for these loans.

Eligibility



- Available to small businesses and not-for-profits.
- Organizations must demonstrate they paid between \$50,000 to \$1 million in total payroll in 2019.

Benefit



- Interest free loans up to \$40,000 to small businesses and not-for-profits to help cover operating costs during a period where their revenues may have been temporarily reduced, due to economic impacts of the COVID-19 virus.
- Repaying 75% of the loan on or before December 31, 2022 will result in loan forgiveness of 25 percent (up to \$10,000).

Status of Program



Application process available now with financial institutions.



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Supplemental Unemployment Benefit Plan (SUBP)

Income support for employees facing layoff

Highlights

- SUBP tops up employment insurance (EI) benefits during a period of unemployment due to a temporary or indefinite layoff to a maximum of 95% of normal wages.

Process

- Develop a SUB plan (must meet eligibility criteria).
- A SUB plan must be registered with Service Canada.
- Complete the Supplemental Unemployment Benefit plan registration form and submit to Service Canada.
- Complete Record of Employment (ROE) and ensure employment agreement and records are updated.
- Due to volumes, can now fax SUB Plan applications and assume approved – must be in accordance with rules.

Eligibility

- Employees must be in receipt of EI benefits in order to receive payments under the plan.
- SUB plans cover a period of unemployment caused by one or a combination of:
 - Temporary stoppage of work
 - Training
 - Illness, injury or quarantine

Benefit

- Payments from registered and approved SUB plans are not considered “insurable earnings” and thus do not reduce EI benefits.
- Combined weekly payments under the SUB plan and EI can reach up to a maximum of 95% of the employee’s normal weekly earnings.

Status of Program

Registration of plans is currently active.



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Extending Work-Sharing Program

Program to help reduce layoffs due to temporary reduction in available work

Highlights

- Work-Sharing (WS) helps employers avoid layoffs due to unexpected situations like COVID-19.

Process

- Employees agree to a reduced schedule of work and share available work over a specified period of time.
- Employer and employees (and union if applicable) must agree to WS and complete the application together.
- Typically, the maximum duration for WS is 38 weeks, this has been extended to 76 weeks.
- There is typically a 30 day waiting period between filing an application and the onset of WS. That period has been waived.

Benefit

- Income support to employees eligible for EI benefits who work a temporarily reduced work week while their employer recovers.

Eligibility

- Can be private, publically held or non-for-profit.
- Must have been in a year-round business in Canada for at least 2 years.
- Able to demonstrate a recent decrease in business activity of at least 10%.

Status of Program

Special measures effective March 15, 2020 – March 14, 2021.



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Deferral of Sales Tax Remittance and Customs Duty Payments

Support for Canadian businesses

Highlights



- In order to provide support for Canadian businesses during these unprecedented economic times, the Government is deferring Goods and Services Tax/Harmonized Sales Tax (GST/HST) remittances and customs duty payments.

Process



- Businesses in need of information about their particular obligations may contact the Canada Revenue Agency for tax matters and Canada Border Service agency for importing goods.

Eligibility



- Available for all Canadian businesses.

Benefit



- Canada Revenue Agency will extend GST/HST remittance until June 30, 2020 the time that:
 - Monthly filers have to remit amounts collected for the February, March and April 2020 reporting periods;
 - Quarterly filers have to remit amounts collected for the January 1, 2020 through March 31, 2020 reporting period;
 - Annual filers, whose GST/HST return or instalment are due in March, April or May 2020, have to remit amounts collected and owing for their previous fiscal year and instalments of GST/HST in respect of the filer's current fiscal year.
- For imported goods, payment deadlines for statements of accounts for March, April and May are being deferred to June 30, 2020.

Status of Program



Effective immediately.



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Federal - Export Development Canada (EDC)

Business Credit Availability Program (BCAP)

Highlights

- Business Development Bank of Canada (BDC) is collaborating with Export Development Canada (EDC) and chartered banks as part of BCAP to provide more than **\$10 billion** in direct lending and other types of additional support at market rates to help businesses through to a more stable time.

Process

- Businesses seeking support through BCAP should first contact their financial institutions for an assessment of their situation.
- Financial institutions will then refer to EDC and BDC their existing clients whose needs extend beyond what is available through the private sector alone.

Financial Institutions:

- Bank of Nova Scotia, Bank of Montreal, CIBC, HSBC Bank Canada, TD, Royal Bank, National Bank, Desjardins, Laurentian Bank.

Other Institutions:

- Canadian Bankers Association, Canadian Credit Union Association.

Eligibility

- Largely targeted to small and medium-sized businesses, including sectors such as oil and gas, air transportation and tourism.

Benefit

- Working capital loans of up to \$2 million with flexible terms and payment postponements for up to 6 months for qualifying businesses.
- Postponement of payments for up to six months, free of charge, for existing BDC clients with total BDC loan commitment of \$1 million or less.
- Reduced rates on new eligible loans.

Status of Program

Additional details regarding Business Credit Availability Program (BCAP) measures, including industry specific support, to be announced in the coming days.



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Province of British Columbia's Economic Response Plan

British Columbia Tax Relief for Businesses

Assistance to provide tax relief for businesses

Highlights



- B.C. is extending filing and payment deadlines for provincial taxes until September 30, 2020.

Additional Information



<https://www2.gov.bc.ca/gov/content/taxes/tax-changes/covid-19-tax-changes>

Eligibility



- Effective immediately, all businesses are eligible for tax deferral.

Benefit



- The following filing and payment deadlines have been extended until September 30, 2020:
 - Employer Health Tax return and final payment
 - Sales Tax: provincial sales tax, carbon tax, motor fuel tax, and tobacco tax

Status of Program



Effective immediately.



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British Columbia Benefit for Workers

Assistance for individuals who lost income because of COVID-19

Highlights



- The B.C. Emergency Benefit for Workers provides a one-time payment to people who lost income because of COVID-19.

Process



- More information on application process to be announced soon.

Eligibility



- B.C. residents who receive federal Employment Insurance, or the new federal Canada Emergency Response Benefit are eligible.

Benefit



- A one-time tax-free payment of \$1,000.

Status of Program



Applications for the one-time payment will open soon.



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British Columbia Climate Action Tax Credit

Assistance to offset the impact of the carbon taxes paid by individuals or families

Highlights



- A one-time enhancement to the climate action tax credit will be paid in July 2020 for moderate to low-income families.

Process



- Individuals will receive the credit payment from Canada Revenue Agency (CRA) in July 2020.

Eligibility



- 19 years of age or older, or
- Have a spouse or common-law partner, or
- Are a parent who resides with your child.

Benefit



- An adult will receive up to \$218.00 (increased from \$43.50).
- A child will receive \$64.00 (increased from \$12.75).

Status of Program



Benefit will be paid in July 2020.



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B.C. Temporary Rental Supplement Program (BC-TRS)

Assistance for Renters, Homeowners and People Experiencing Homelessness

Highlights



- To support people and prevent the spread of COVID-19, the Province is introducing a new temporary rental supplement, halting evictions for non-payment, and freezing rent increases.

Process



- The new BC Temporary Rental Supplement will be administered by BC Housing.
- The rental supplement program will be accepting applications in mid-April.

Eligibility



- Tenants must have experienced an income loss or reduction as a result of the current COVID-19 pandemic.
- Supplement will be available to renters who are facing financial hardship as a result of COVID-19 crisis, but do not qualify for existing rental assistance programs.

Benefit



- The BC-TRS will provide supplements of up to \$500, depending on the various factors including the size of your household, paid directly to the landlord.
- The tenant is responsible for paying the difference between the benefit amount and their full rent.
- Program to run for 3 months



Status of Program

The application process will be available online in April.



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BC Hydro and ICBC Payment Relief

Assistance for individuals and businesses to offset monthly expenses

Highlights

- BC Hydro is allowing customers to defer bill payments or arrange for flexible payment plans with no penalty through their COVID-19 Customer Assistance Program.
- ICBC is allowing customers who are facing financial challenges due to COVID-19 to defer their payment for up to 90 days with no penalty.

Process

- BC Hydro: customers are encouraged to call BC Hydro's customer team at 1-800-224-9376 to discuss bill payment options.
- ICBC: customers are encouraged to call 604-661-2723 or 1-800-665-6442 to discuss payment options.

Status of Program

Available now.

Eligibility

- BC Hydro: customers experiencing financial hardship.
- ICBC: individuals who are on a monthly auto plan payment plan who are facing financial challenges due to COVID-19.

Benefit

- BC Hydro: deferral payment options.
- ICBC: payment deferral up to 90 days..

Additional Information

BC Hydro: https://www.bchydro.com/news/press_centre/news_releases/2020/bill-relief-covid-19.html

ICBC: <https://www.icbc.com/about-icbc/contact-us/Pages/covid-19.aspx>



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In Summary

Business Resilience Planning – Register now in anticipation of needing later

Highlights

- Most of the programs announced by the Federal Government are going to be delivered via the online portal on CRA's website.
- Ensuring your business and your employees are registered with CRA is paramount
- Having a Business Resilience Plan will enable your business to have the best possible outcome given these periods of uncertainty

Process

- Register for My Business Account online at:
<https://www.canada.ca/en/revenue-agency/services/e-services/e-services-businesses/business-account.html>
- Register for My Account for Individuals online at:
<https://www.canada.ca/en/revenue-agency/services/e-services/e-services-individuals/account-individuals.html>

Status of Program

Available now.

Eligibility

- Will require specific information from your previous tax returns so have them handy.

Benefit

- Required to apply for CEWS & CERB payments
- Direct deposit will ensure quick receipt of payments

Additional Information

- How to video:
- https://www.youtube.com/watch?v=xW_1xRux6bw&feature=youtu.be.
- Contact KPMG today to discuss fulsome Business Resilience Planning solutions for your business.



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Questions?





Thank you



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