



# COVID - 19

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This document is for general information.  
It is your responsibility to ensure you are using current information.



DELETE PREVIOUS VERSIONS OF THIS INFORMATION

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# Contents

ASSISTANCE FOR INDIVIDUALS.....	3
2019 income tax returns. ....	3
Tax instalments .....	3
Measures for Canadians without paid sick leave who are sick, quarantined or obliged to stay at home to care for children, workers or parents .....	3
Special Goods and Services Tax (GSTC) credit payment .....	3
Canada child benefit (CCB) .....	3
RRIF minimum withdrawals.....	3
Student loans.....	3
Mortgage support .....	3
Canada Emergency Response Benefit (CERB) .....	4
How to apply for CERB .....	5
Employment Insurance.....	5
SUPPORT TO BUSINESSES.....	5
Avoiding layoffs .....	5
Work-Sharing program.....	5
Canada Emergency wage subsidy (CEWS).....	5
<a href="https://www.canada.ca/en/department-finance/news/2020/04/the-canada-emergency-wage-subsidy.html">https://www.canada.ca/en/department-finance/news/2020/04/the-canada-emergency-wage-subsidy.html</a> .....	5
Temporary wage subsidy for employers.....	6
Canada Emergency Commercial Rent Assistance (CECRA).....	6
Access to credit - Business Credit Availability Program (BCAP) .....	7
Canada Emergency Business Account.....	7
Loan Guarantee for Small and Medium-Sized Enterprises .....	7
CO-Lending Program for Small and Medium-Sized Enterprises .....	7
More time to pay income taxes .....	7
Deferral of Sales Tax Remittance and Customs Duty Payments .....	7
EMPLOYEES WORKING FROM HOME (T2200).....	8
FINANCIAL INSTITUTIONS.....	8
OTHER PROGRAMS.....	9
BRITISH COLUMBIA.....	9
Payroll Health Tax.....	9

\$1,000 for individuals .....	9
USEFUL LINKS.....	10
BC Provincial.....	10
Federal.....	10
Local.....	10
Safety.....	10
Print and Digital Tools .....	10

# ASSISTANCE FOR INDIVIDUALS

## 2019 income tax returns.

1. Filing date is extended to June 1.
2. Self-employed, their spouses/partners are still at June 15 deadline.
3. Balance owing on your tax-return to be paid by August 31.
4. To ensure you get your GST/GIS /CCB payments it is recommended that you file by April 30<sup>th</sup>.
5. If you are due a refund the sooner you file, the sooner you will get your refund.

## Tax instalments

You now have until August 31, 2020 to pay your March 2020 and June 2020 quarterly personal tax instalments.

This also applies to any other instalments due after March 17 and before September 1.

## Measures for Canadians without paid sick leave who are sick, quarantined or obliged to stay at home to care for children, workers or parents

EI sickness benefit waiting period of one week is waived for those in imposed quarantine. Medical certificate to qualify is also waived.

Emergency Care Benefit (ECB) will provide up to \$900 bi-weekly for up to 15 weeks. This provides income support to works and self-employed who are quarantined or sick with COVID-19 but do not qualify for EI sickness benefits. Also eligible for ECB are those taking care of a family member who has COVID-19 and does not qualify for the EI sickness benefit and parents who have to supervise children due to school closures and are not eligible for EI.

ECB will be available in April. You will need to re-attest every 2 weeks that you are eligible.

## Special Goods and Services Tax (GSTC) credit payment

Double the amount of GSTC benefits for 2019-2020 of approximately \$400 for an individual and nearly \$600 for couples. Payments to be made in early May. No need to apply.

## Canada child benefit (CCB)

CCB will be increased by \$300 per child, to be delivered in May. No need to apply.

## RRIF minimum withdrawals

Minimum withdrawals are being reduced from 5.28% to 3.96% for 2020.

## Student loans

Six-month interest-free moratorium on repaying Canada Student loans. No interest will accrue for those six-months.

## Mortgage support

Canadian banks have committed to work with their customers on a case-by-case basis to help them manage hardships caused by COVID-19. This would help defer liability; not eliminate it.

## Canada Emergency Response Benefit (CERB)

Visit the following website for more details and clarification.

<https://www.canada.ca/en/services/benefits/ei/cerb-application.html>

This program is only available to individuals who qualify under the following conditions. See the April 15 updates below.

Taxable benefit of \$500 per week for up to 16 weeks. (If you get EI you won't get this). If you have applied for EI and are eligible for CERB you will get that automatically.

***Tip: Set up My Account on the CRA website to streamline your application for CERB.***

- Workers who must stop working due to COVID-19 and do not have access to paid leave or other income support.
- Workers who 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 that are sick or need additional care because of school and daycare closures.
- workers who still have their employment but are not being paid because there is currently not sufficient work and their employer has asked them not to come to work.
- wage earners and self-employed individuals, including contract workers, who would not otherwise be eligible for Employment Insurance.
- Also covered are people who are in directed-self isolation.
- Canadian resident, who is at least 15 years old
- Had 2019 income of at least \$5,000 or in the 12 months prior to their application.
- Are expected to be without employment or self-employment income for at least 14 consecutive days in the initial four-week period. For subsequent benefit periods, they expect to have no employment income.

### **April 15 update**

- Allows people to earn up to \$1,000 per month while collecting the CERB.
- Extends the CERB to seasonal workers who have exhausted their EI regular benefits and are unable to undertake their regular seasonal work because of COVID-19.
- Extends the CERB to workers who have recently exhausted their EI regular benefits and are unable to find a job because of COVID-19.

## How to apply for CERB

Day to apply for the Canada Emergency Response Benefit

<b>If you were born in the month of</b>	<b>Apply for CERB on</b>	<b>Your best day to apply</b>
January, February or March	Mondays	April 6
April, May, or June	Tuesdays	April 7
July, August, or September	Wednesdays	April 8
October, November, or December	Thursdays	April 9
Any month	Fridays, Saturdays and Sundays	

## Employment Insurance

You can apply on-line and there is no waiting period.

If you are sick, quarantined or have been directed to self-isolate, we will waive the requirement to provide a medical certificate to access EI sickness benefits.

## SUPPORT TO BUSINESSES

### Avoiding layoffs

#### Work-Sharing program

[https://www.canada.ca/en/department-finance/economic-response-plan/covid19-businesses.html#extending\\_workshare\\_programs](https://www.canada.ca/en/department-finance/economic-response-plan/covid19-businesses.html#extending_workshare_programs)

The maximum duration is being extended from 38 weeks to 76 weeks. This program is offered to workers who agree to reduce their normal working hours because of developments beyond the control of their employers. Apply to the work-sharing program.

#### Canada Emergency wage subsidy (CEWS)

<https://www.canada.ca/en/department-finance/news/2020/04/the-canada-emergency-wage-subsidy.html>

A wage subsidy of up to 75% of wages for qualifying businesses for up to 3 months, retroactive to March 15, 2020. The subsidy will be capped at \$847 a week.

This is available to any company (regardless of size or number of employees) and charities and non-profits. A business must be able to show that revenues have dropped by 15% in March and 30% in April and May due to COVID-19. The drop will be calculated as a year over year calculations for the relevant period. You can also use January and February sales 2020 as reference periods for eligibility compared to the claiming periods.

## Eligible Period

Claiming period	Reference period for eligibility
<b>Period 1</b> March 15 – April 11	March 2020 over March 2019
<b>Period 2</b> April 12 – May 9	April 2020 over April 2019
<b>Period 3</b> May 10 – June 6	May 2020 over May 2019

There are other measurement techniques if this doesn't work for you.

You can now apply for CEWS. Applications should be made through the CRA's My Business Account portal and a web-based application.

<https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy.html>

This site will take you through the process.

### Temporary wage subsidy for employers

This can give you a subsidy of up to 10% of your payroll for the period March 18, 2020 to June 19, 2020 up to a maximum of \$1,375 per eligible employee and to a maximum of \$25,000 to the employer. **You must do the calculations. The CRA will not!** This program is separate from the 75% Canada Emergency Wage Subsidy. If you qualify for the 75% Canada Emergency Wage Subsidy you won't qualify for the 10% subsidy.

For full details review the following website.

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

### Canada Emergency Commercial Rent Assistance (CECRA)

The federal government has reached an agreement in principle with all provinces and territories to implement the Canada Emergency Commercial Rent Assistance (CECRA) for small businesses. This program will lower rent by 75 per cent for small businesses that have been affected by COVID-19. The program will provide forgivable loans to qualifying commercial property owners to cover 50% of three-monthly rent payments that are payable by eligible small business tenants who are experiencing financial hardship during April, May, and June.

The loans will be forgiven if the mortgaged property owner agrees to reduce the small business tenants' rent by at least 75% under a rent forgiveness agreement, which will include a term not to evict the tenant while the agreement is in place. The small business tenant would cover the remainder, up to 25% of the rent.

Impacted small business tenants are businesses paying less than \$50,000 per month in rent (we don't know if this is triple net or not) and who have temporarily ceased operations or have experienced at least a 70% drop in pre-COVID revenues. This support will also be available to non-profit and charitable organizations.

It is expected that CECRA will be operational by mid-May, and further details will be announced soon.

## Access to credit - Business Credit Availability Program (BCAP)

A Business Credit Availability Program (BCAP) will provide \$65 billion of additional support through the Business Development Bank of Canada (BDC) and Export Development Canada (EDC). Discuss these programs with your financial institution.

### Canada Emergency Business Account

The new Canada Emergency Business Account will provide interest-free loans of up to \$40,000 to small businesses and not-for-profits, to help cover their operating costs during a period where their revenues have been temporarily reduced.

To qualify, these organizations will need to demonstrate they paid between **\$20,000 to \$1.5 million** in total payroll in 2019. A quarter of the loan, up to \$10,000 is eligible for complete forgiveness provided it is repaid by December 2022. It will be interest free until that date.

### Loan Guarantee for Small and Medium-Sized Enterprises

EDC is working with financial institutions to issue new operating credit and cash flow term loans of up to \$6.25 million to SMEs.

### CO-Lending Program for Small and Medium-Sized Enterprises

BDC is working with financial institutions to co-lend term loans to SMEs for their operational cash flow requirements.

Eligible businesses may obtain incremental credit amounts of up to \$6.25 million through the program.

These programs will roll out in the **three weeks after March 27** and interested businesses **should work with their current financial institutions**.

## More time to pay income taxes

We are allowing all businesses to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after March 18 and before September 2020. This relief would apply to tax balances due, as well as instalments, under Part I of the *Income Tax Act*.

No interest or penalties will accumulate on these amounts during this period.

## Deferral of Sales Tax Remittance and Customs Duty Payments

We will allow businesses, including self-employed individuals, to defer until June 30, 2020 payments of the Goods and Services Tax / Harmonized Sales Tax (GST/HST), as well as customs duties owing on their imports.

The deferral will apply to GST/HST remittances for the February, March and April 2020 reporting periods for monthly filers; the January 1, 2020 through March 31, 2020 reporting period for quarterly filers; and for annual filers, the amounts collected and owing for their previous fiscal year and instalments of GST/HST in respect of the filer's current fiscal year.

For GST and customs duty payments for imported goods, deferral will include amounts owing for March, April and May.

These amounts were normally due to be submitted to the Canada Revenue Agency and the Canada Border Services Agency as early as the end of this month.



## EMPLOYEES WORKING FROM HOME (T2200)

### **Can you claim your home office expenses while being forced to work from home during COVID-19?**

Our tax law says that employees can claim a deduction for certain home office expenses, but only where you meet at least one of the following two conditions: 1) your home is your principal place of work (meaning you're required to spend more than half your time working from home); or 2) you use a particular room (or rooms) exclusively for earning employment income and you meet customers or others there on a regular and continuous basis for work.

What's required here is that your employer be willing to sign Form T2200, and to certify in question No. 10 of the form that you were required to work from home more than half the time during a specific period in the year. The onus would be on you, the employee, to make sure you prorate your expenses so that you're only deducting expenses that relate to that period of time. You would claim your expenses on Form T777.

To be sure, any employer who signs T2200 forms for their employees this year, given the requirement to work from home during this pandemic, would have a good argument to do so – and the Canada Revenue Agency is not likely to challenge this. Nevertheless, the CRA should clarify for taxpayers whether or not their administrative position is that an employee whose principal place of work is their home, for part of the year, is able to claim home office expenses related specifically to that period of time.

You would be wise to limit your deductions to the amount of employment income for the period during which you work at home.

So, start tracking your home expenses and request the T220 from your employer at year-end and make sure they answer YES to question 10.

Home office expenses: Double check with your accountant or with CRA later in the year when any changes have been established. It is expected that the CRA will relax the rules for this situation, but no guarantees. If you use your vehicle for business, you might be best getting a mileage allowance from your employer for the period. If you do repairs or maintenance to your home work area you should be able to claim that cost.

There are three categories of people who can claim home office expenses. All are on a pro-rata basis.

- Employees working from home can claim rent, heat, hydro, repairs, maintenance, supplies, mobile phone airtime.
- Commission salesperson can claim the above plus property taxes and insurance.
- Self-employed can claim above plus mortgage interest and capital cost allowance on computers etc. We do not recommend claiming capital cost allowance on your home.

## FINANCIAL INSTITUTIONS

Talk to your financial institution about their policies on financial relief. They will be implementing the \$40,000 loan program. They are also offering deferrals on loan and mortgage payments. However, these deferrals may not be as attractive as they seem. While payments may be deferred interest is likely to continue to accrue on your debt. So, if that is the case, don't avail of these options unless you really must. Make sure you read the fine print.

## OTHER PROGRAMS

There are other programs that we have not reviewed here. They include the Business Credit Availability Program and the Insured Mortgage Purchase Program.

Visit <https://www.canada.ca/en/department-finance/economic-response-plan.html> for details on these and all the programs that we have covered off in this bulletin.

## BRITISH COLUMBIA

### Payroll Health Tax

Effective immediately, businesses with a payroll over \$500,000 can defer their employer health tax payments until Sept. 30, 2020. Businesses with a payroll under this threshold are already exempt from the tax.

### \$1,000 for individuals

B.C. Emergency Benefit for Workers will provide a tax-free \$1,000 payment to British Columbians whose ability to work has been affected by the outbreak. This will be a one-time payment for those who receive Employment Insurance (EI), or the Canada Emergency Response Benefit, as a result of COVID-19. This includes workers who have been laid-off, are sick or quarantined, parents with sick children, parents who stay at home from work while child care centres and schools are closed, and those caring for sick family members, such as an elderly parent. The workers can be EI-eligible and non-EI eligible, such as the self-employed. The benefit will be paid to B.C. residents, in addition to their federal income supports.

## USEFUL LINKS

### BC Provincial

- [COVID-19 Action Plan - support and information and support for workers \(Government of BC\)](#)
- [Resources for Small Businesses \(Small Business BC\)](#)
- [Resources for Businesses Affected by COVID-19 \(BC Chamber of Commerce\)](#)

### Federal

- [Support for entrepreneurs impacted by the coronavirus COVID-19 \(Business Development Bank of Canada\)](#)
- [Additional Support for Canadian Businesses from the Economic Impact of COVID-19 \(Government of Canada\)](#)
- [Canada's COVID-19 Economic Response Plan \(Government of Canada\)](#)
- [Resources for Canadian businesses \(Trade Commissioner Service\)](#)
- [Coronavirus disease \(COVID-19\) - Employment and Social Development Canada \(Government of Canada\)](#)

### Local

- [COVID-19 \(Coronavirus\) Business Communications and Support Office \(City of Vancouver\)](#)
- [COVID-19 News and Resources for businesses in Vancouver \(Vancouver Economic Commission\)](#)
- [Tourism industry updates and advocacy \(Tourism Vancouver\)](#)
- [Support for restaurants and patrons \(Breaking Bread\)](#)

### Safety

- [Keeping your Business and Property Safe \(BIA, VPD and Kits-Fairview CPC\)](#)
- [Checklist to secure your premises during COVID-19 related business closures \(Metro Vancouver Crime Stoppers\)](#)

### Print and Digital Tools

- [Infographic](#) and other helpful tips and signage to slow down the spread of COVID-19.