

COVID-19 Government Assistance



A Quick Guide **(Updated Mar 8, 2021)**

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COVID-19 Government Assistance

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COVID-19 Programs – For Businesses

- **Canada Emergency Wage Subsidy (CEWS):** Originally 75% of the pre-crisis weekly wage for all businesses that suffered a 30% reduction in revenue. It was capped at \$847 per eligible employee per week for 4 four-week periods, from Mar 15 to Jul 4, 2020. CEWS 2.0 expended to Dec 19, 2020, with a base subsidy up to 60% sliding down to 40% and a top-up subsidy up to 25% if revenue reductions above 50% (total maximum 65%). (Further extended to Jun 2021, with the maximum subsidy back to 75% from Dec 20, 2020 to Jun 5, 2021.)
- **Temporary Wage Subsidy:** A 10% wage subsidy for eligible employers for 3 months from Mar 18 to Jun 19, 2020. This benefit is to be deducted from the CEWS subsidy. (Program ended on Jun 19)
- **Canada Emergency Business Account (CEBA):** a government-guaranteed \$40,000 loan interest free until Dec 2022 (with \$10,000 forgivable when repaid by Dec 2022). To qualify, the business needs a 2019 T4 Sum of \$20,000 – \$1.5 million, or non-deferrable expenses of \$40,000 - \$1.5million. Increased the CEBA loan from \$40,000 to \$60,000 (with an additional \$10,000 forgivable).

COVID-19 Programs – For Businesses (cont'd)



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- **Canada Emergency Commercial Rent Assistance (CECRA):** Provide a forgivable loan to qualifying commercial landlords to cover 50% of Apr-Sep rent, if reduced by 75%, and payable by small business tenants who pay < \$50,000 per month in rent and have a 70% drop in revenue due to COVID-19.
- **Canada Emergency Rent Subsidy (CERS):** A new rent subsidy on eligible expenses at a maximum subsidy of 65% (mirrors the CEWS rate), and a **Lockdown Support** of 25%, from Sep 27, 2020 to Jun 2021.
- **Ontario Small Business Support Grant:** A new grant that will provide between \$10,000 and \$20,000 to eligible small businesses required to close or restrict services under the provincewide restrictions effective Dec 26, 2020.

COVID-19 Programs – For Individuals

- **Canada Emergency Response Benefit (CERB):** \$2,000 a month for up to 7 months (28 weeks), from Mar 15 to Sep 26, 2020. Must have earned \$5,000 in 2019 or past 12 months, and ceased working owing to COVID-19. Apply via CRA My Account or toll free number 1-800-959-2019.
- **Canada Emergency Student Benefit (CESB):** \$1,250 per month for eligible students from May through Aug 2020, and \$1,750 for students with dependents and those with permanent disabilities. Apply via CRA My Account or toll free number 1-800-959-2019.
- **One-time GST Credit:** \$400 for single individuals and close to \$600 for couples.
- **One-time Canada Child Benefit:** (CCB) \$300 per child. Payout in May and if you qualify for CCB.
- **One-time Senior Benefit:** the Old Age Security (OAS) pensioner will receive a one-time tax-free payment of \$300; and the Guaranteed Income Supplement (GIS) will add an additional \$200.
- **Employment Insurance (EI) changes:** Increased to \$500 per week for maximum ~~26 weeks~~ **50 weeks** and relaxed hours requirement.
- **Canada Recovery Benefit (CRB):** \$500 per week for up to ~~26 weeks~~ **38 weeks** to workers who are not eligible for EI but are looking for work (effective from Sep 27, 2020 for one year along with **CRSB** and **CRCB**).

Canada Emergency Wage Subsidy (CEWS)

- The **first** CEWS would apply at a rate of **75%** of the first \$58,700 employee wages, up to **\$847 per week**. This program was in place for 4 four-week periods, from Mar 15 to Jul 4, 2020. An expanded CEWS was introduced for the next 6 four-week periods from Jul 5 to Dec 19, 2020. (Further extended to Jun 2021, with the maximum subsidy to 75% from Dec 20, 2020 to Jun 5, 2021).
- Eligible employers are those **suffering a drop in gross revenues** from arm's length sources, of at least **15% in Mar, 30% in Apr, May or Jun**, when compared to the same month in 2019 or the average of Jan and Feb 2020. *Need to re-apply each month* to access the subsidy. The expanded CEWS would apply to any revenue drops.
- The exiting CEWS is calculated at **75% of pre-crisis wages** of existing employees up to \$847 per week.
 - The pre-crisis weekly wage for a given employee would be based on the average weekly remuneration paid from Jan 1 to Mar 15, 2020 (or from Mar 1 to Jun 30, 2019) inclusively, excluding any seven-day periods in respect of which the employee did not receive remuneration (**baseline remuneration**).
 - Up to 75 per cent of salaries and wages paid to new employees.
- There are also **refund of employer-paid CPP and EI contributions** for the furloughed employees.
- Refer to: <https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy.html>

75% Wage Subsidy – Eligibility (CEWS 1.0)

- **Eligible Periods Revenue***: Employers would select the general year-over-year approach or the alternative approach (using an average of their revenue earned in Jan and Feb 2020) when first applying for the CEWS and would be required to use the same approach for the entire duration.

	Claiming period	Required reduction in revenue	Reference period for eligibility
Period 1	Mar 15 to Apr 11	15%	Mar 2020 over: - Mar 2019 or - Average of Jan and Feb 2020
Period 2	Apr 12 to May 9	30%	Eligible for Period 1**, OR Apr 2020 over: - Apr 2019 or - Average of Jan and Feb 2020
Period 3	May 10 to Jun 6	30%	Eligible for Period 2**, OR May 2020 over: - May 2019 or - Average of Jan and Feb 2020
Period 4	Jun 7 to Jul 4	30%	Eligible for Period 3**, OR Jun 2020 over: - Jun 2019 or - Average of Jan and Feb 2020

Note:

* Can choose accrual method or cash method.

**once an employer is found eligible for a specific period, the employer automatically qualifies for the next period.

- **Eligible Employees**: The CEWS will be available to employees other than those who have been without remuneration for 14 or more consecutive days in the eligibility period.

CEWS – Expanded version 2.0

- Applicable from Jul 5 through Dec 19, 2020 (i.e., qualifying periods 5 to 10). Instead of requiring that a 30% revenue drop threshold be met to qualify for the program, the CEWS will be available to any qualifying employer which has experienced any level of reduction in revenue.
- **Base Subsidy:** Eligible for a base subsidy amount proportional to their revenue decline (e.g. 1.2x), up to the maximum subsidy rate with a 50% decline in revenue. The maximum base subsidy rate will be capped at 60% for periods 5 and 6 and will decrease gradually to 40% by periods 8-16;
- **Top-up Subsidy:** In addition, employers who experience a drop of more than 50% in their proceeding three-month rolling average of revenue will be entitled to an additional CEWS “top-up” rate of up to 25%. As such, **the combined base and top-up subsidies could be up to 85%**. (This is simplified for periods 8-10, using the current month revenue drop of more than 50%, or still using the three-month rolling revenue drops if more beneficial. For periods 11-16, the max top-up rate increased to 35%.)
- **Safe Harbour Rule:** An employer who would have qualified for the 75% subsidy under the existing rules will still be entitled to that rate for periods 5 and 6. It is effectively the higher of 75%, or the subsidies under the new rules up to 85%.

Example of CEWS 2.0 for the combined base CEWS and the top-up CEWS:

Timing	Period 5*: Jul 5 – Aug 1	Period 6*: Aug 2 – Aug 29	Period 7: Aug 30 – Sep 26	Period 8-10: Sep 27 – Dec 19	Period 11-13: Dec 20 – Mar 13	Period 14-16: Mar 14 – Jun 5
Max weekly subsidy (%)	85%	85%	75%	65%	75%	75%
Max weekly benefit per employee (max pay \$1,126)	Up to \$960	Up to \$960	Up to \$847	Up to \$734	Up to \$847	Up to \$847

Base CEWS Subsidy	1.2*revenue drop	1.2*revenue drop	1.0*revenue drop	0.8*revenue drop	0.8*revenue drop	0.8*revenue drop
- on current or proceeding month revenue drop (per Drop-in-Revenue Test)						
- max 50% rev drop:	60%	60%	50%	40%	40%	40%
- example: Jun or Jul rev drop 20%, Period 5 base subsidy = $20\% \times 1.2 = 24\%$						

Top-up CEWS Subsidy	1.25*(rev drop - 50%)				1.75*	
- on current proceeding 3 months revenue drop, vs the same months last year	(change to on current or proceeding month revenue drop)					
- max 70% rev drop:	25%	25%	25%	25%	35%	35%
- example: Apr-Jun 3 months rev drop is 70% => Period 5 top-up subsidy =1.25*(70%-50%)=25%						
- example: Period 5 combined base & top-up subsidies = 24%+25% = 49%						

Safe Harbour Rule

* In Periods 5 and 6, employers who would have been better off in the CEWS design in Periods 1 to 4 would be eligible for a 75% wage subsidy if they have a revenue decline of 30% or more.

- example: apply the safe harbour rule, if Jun rev drop was 30% or more, i.e. Period 5 would use 75% existing subsidy.

CEWS 2.0, rules

- The following additional changes will apply for periods 5 to 16:
 - Eligible remuneration will no longer be based on baseline remuneration, except in the case of non-arm's length employees;
 - Employees who are without remuneration for 14 or more consecutive days in a period will no longer be excluded from being "eligible employees";
 - Employers may re-elect between the year-over-year and alternative revenue drop methods;
 - Employers may use the greater of the revenue drop for the current period or for the previous period (like before); and
 - Regulations will be enacted to limit the eligible remuneration in respect of an employee on paid leave to the amount that the employee would receive under the CERB. Certain measures relating to amalgamations, newly-purchased businesses, government-source revenue and entities using payroll service providers are also proposed and would apply as of Mar 15, 2020.
 - **Deadline to apply is Jan 31, 2021, or 180 days after the end of the claim period, whichever comes later.**
 - Refer to the government website: <https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy.html>

CEWS 2.0, impact on owner-managers

- A modified special rule apply to active employees that do not deal at arm's length with the employer:
 - For Period 5 and subsequent periods, the wage subsidy for such employees would be based on the employee's weekly eligible remuneration or pre-crisis remuneration, whichever is less, up to a maximum of \$1,129.
 - Only available for non-arm's-length employees that were employed prior to Mar 16, 2020.

- For **Period 5** and subsequent periods, the pre-crisis remuneration of an employee would be based on the average weekly remuneration paid to the employee from Jan 1 to Mar 15, 2020 **or from Jul 1, 2019 to Dec 31, 2019**.
 - Exclude any period of 7 or more consecutive days without remuneration.

CEWS 2.0, Reference periods for the base CEWS

	Claim period	General approach	Alternative approach
Period 5	Jul 5 to Aug 1, 2020	Jul 2020 over Jul 2019 <u>or</u> Jun 2020 over Jun 2019	Jul 2020 <u>or</u> Jun 2020 over average of Jan and Feb 2020
Period 6	Aug 2 to Aug 29, 2020	Aug 2020 over Aug 2019 <u>or</u> Jul 2020 over Jul 2019	Aug 2020 <u>or</u> Jul 2020 over average of Jan and Feb 2020
Period 7	Aug 30 to Sep 26, 2020	Sep 2020 over Sep 2019 <u>or</u> Aug 2020 over Aug 2019	Sep 2020 <u>or</u> Aug 2020 over average of Jan and Feb 2020
Period 8	Sep 27 to Oct 24, 2020	Oct 2020 over Oct 2019 <u>or</u> Sep 2020 over Sep 2019	Oct 2020 <u>or</u> Sep 2020 over average of Jan and Feb 2020
Period 9	Oct 25 to Nov 21, 2020	Nov 2020 over Nov 2019 <u>or</u> Oct 2020 over Oct 2019	Nov 2020 <u>or</u> Oct 2020 over average of Jan and Feb 2020
Periods 10 and 11	Nov 22 to Dec 19, 2020 and Dec 20, 2020 to Jan 16, 2021	Dec 2020 over Dec 2019 <u>or</u> Nov 2020 over Nov 2019	Dec 2020 <u>or</u> Nov 2020 over average of Jan and Feb 2020
Period 12	Jan 17 to Feb 13, 2021	Jan 2021 over Jan2020 or Dec 2020 over Dec 2019	Jan 2021 or Dec 2020 over average of Jan and Feb 2020
Period 13	Feb 14 to Mar 13, 2021	Feb 2021 over Feb 2020 or Jan 2021 over Jan 2020	Feb 2021 or Jan 2021 over average of Jan and Feb 2020
Period 14	Mar 14 to Apr 10, 2021	Mar 2021 over Mar2019 or Feb2021 over Feb2020	Mar 2021 or Feb 2021 over average of Jan and Feb 2020
Period 15	Apr 11 to May 8, 2021	Apr 2021 over Apr2019 or Mar2021 over Mar2019	Apr 2021 or Mar 2021 over average of Jan and Feb 2020
Period 16	May 9 to Jun 5, 2021	May2021 over May2019 or Apr2021 over Apr2019	May 2021 or Apr 2021 over average of Jan and Feb 2020

CEWS 2.0, Reference periods for the top-up CEWS

	Claim period	General approach	Alternative approach
Period 5	Jul 5 to Aug 1, 2020	Apr to Jun 2020 over Apr to Jun 2019	Apr to Jun 2020 average over Jan and Feb 2020 average
Period 6	Aug 2 to Aug 29, 2020	May to Jul 2020 over May to Jul 2019	May to Jul 2020 average over Jan and Feb 2020 average
Period 7	Aug 30 to Sep 26, 2020	Jun to Aug 2020 over Jun to Aug 2019	Jun to Aug 2020 average over Jan and Feb 2020 average
Period 8	Sep 27 to Oct 24, 2020	Oct 2020 over Oct 2019 <u>or</u> Sep 2020 over Sep 2019	Oct 2020 <u>or</u> Sep 2020 over average of Jan and Feb 2020
Period 9	Oct 25 to Nov 21, 2020	Nov 2020 over Nov 2019 <u>or</u> Oct 2020 over Oct 2019	Nov 2020 <u>or</u> Oct 2020 over average of Jan and Feb 2020
Periods 10 and 11	Nov 22 to Dec 19, 2020	Dec 2020 over Dec 2019 <u>or</u> Nov 2020 over Nov 2019	Dec 2020 <u>or</u> Nov 2020 over average of Jan and Feb 2020

For periods 11 to 16, the top-up revenue drop is the same as the revenue drop you used to calculate your base rate.

Wage Subsidies – Revenue tracking

		Accrual Basis		YOY Inc/(Drop) Monthly	Vs. Jan-Feb Inc/(Drop) Monthly	YOY Proceeding 3-Month	Vs. Jan-Feb Proceeding 3-Month
		2020	2019				
	January	10,000	9,000				
	February	13,000	15,000				
	Jan & Feb Average	11,500					
Period 1	March	12,000	16,000	-25.0%	4.3%		
Period 2	April	2,000	14,000	-85.7%	-82.6%		
Period 3	May	2,000	20,000	-90.0%	-82.6%		
Period 4	June	5,000	6,000	-16.7%	-56.5%		
Period 5	July	5,000	6,000	-16.7%	-56.5%	-77.5%	-73.9%
Period 6	August	5,000	6,000	-16.7%	-56.5%	-62.5%	-65.2%
Period 7	September	6,000	6,000	0.0%	-47.8%	-16.7%	-56.5%
Period 8	October	6,000	6,000	0.0%	-47.8%	-11.1%	-53.6%
Period 9	November	6,000	6,000	0.0%	-47.8%	-5.6%	-50.7%
Period 10	December	6,000	6,000	0.0%	-47.8%	0.0%	-47.8%
		78,000	116,000				

10% Temporary Wage Subsidy

- Those organizations that do not qualify for the Canada Emergency Wage Subsidy may continue to qualify for the previously announced **wage subsidy of 10%** of remuneration **paid** from Mar 18 to **before Jun 20**, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer.
- Eligible employer criteria:
 - Individual (excluding trusts), Partnership*, NPOs and registered charity, or
 - CCPC eligible for the small business deduction;
 - Have an existing business number and payroll account with the CRA on Mar 18, 2020; and
 - Pay salary, wages, bonuses, or other remuneration to an eligible employee.

*Refer to **CRA's FAQ for the 10% wage subsidy**: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>

This program is no longer available for wages paid on or after Jun 20, 2020. For those wages paid between Mar 18 and Jun 19, but the 10% subsidy yet claimed, a credit will be given by CRA via the 2020 T4 filing.

Canada Emergency Rent Subsidy (CERS)

- CERS is a new program to provide direct rent relief to businesses, instead of via landlords (CECRA). The current government backgrounder details for the first 12 weeks (i.e. Sep 27, 2020 to Dec 19, 2020) of the CERS and the **Lockdown Support programs**. The maximum subsidy rate for the CERS is 65% plus an additional 25% if the eligible entity also qualifies for the Lockdown Support. **(Extended to Jun 2021)**
- **Eligible Expenses:** Capped at \$75,000 per location and \$300,000 among affiliated group. Include commercial rent (ex. HST), property taxes, property insurance, and interest on commercial:
 - Lease agreements in writing entered into before Oct 9, 2020.
 - Not relate to residential property used by the taxpayer (e.g., their house or cottage).
 - Not for a property primarily used to earn, directly or indirectly, rental income.
- **Eligible Entities:** Many of the criteria for the CERS mirror those for the CEWS, plus must have a payroll account as of Mar 15, 2020, or have a BN as of Sep 27, 2020.
- All applications must be made on or before 180 days after the end of the qualifying period.
- Refer to: <https://www.canada.ca/en/departement-finance/news/2020/11/canada-emergency-rent-subsidy.html>
- <https://www.canada.ca/en/departement-finance/news/2020/11/lockdown-support-for-businesses-facing-significant-public-health-restrictions.html>

CERS and Lockdown Support

- The CERS rent subsidy is to be topped up by an additional 25% of Lockdown Support.
- The new Lockdown Support would be available retroactive to Sep 27, 2020, until Jun 2021, during periods when businesses are facing eligible public health restrictions.
- The lockdown must be in effect for a period of at least a week, and pro-rated for the number of days in the period during which the relevant location was affected. Refer to <https://www.canada.ca/en/departement-finance/news/2020/11/lockdown-support-for-businesses-facing-significant-public-health-restrictions.html>

Rate Structures Applicable in Periods 14-16 (March 14 to June 5, 2021)				
	Canada Emergency Wage Subsidy (CEWS)	Canada Emergency Rent Subsidy (CERS) and Lockdown Support		
Revenue Decline	Wage Subsidy	CERS Base Rent Subsidy	Lockdown Support Rent Subsidy	Total Rent Subsidy if Eligible for Lockdown Support
70% and over	75%	65%	Up to 25%	90%
50% to 69%	40% + (revenue drop - 50%) x 1.75	40% + (revenue drop - 50%) x 1.25		65% + (revenue drop - 50%) x 1.25
1% to 49%	Revenue drop x 0.8	Revenue drop x 0.8		25% + Revenue drop x 0.8

Canada Emergency Business Account (CEBA)

Canada Emergency Business Account (CEBA)

- 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, due to the economic impacts of the COVID-19 virus. Repaying the balance of the loan on or before Dec 31, 2022 will result in loan forgiveness of 25 percent (up to \$10,000).
- **CEBA support has been expanded from \$40K to \$60K (\$20K forgivable).**
- **Simplified payroll-based:** To qualify, these organizations will need to demonstrate they paid between \$20,000 to \$1.5 million in payroll in 2019 (T4 Summary).
- **Non-deferrable expense-based (CEBA 3.0):** Businesses with annual payroll less than \$20,000 during 2019 and eligible non-deferrable expenses for 2020 projected to be between \$40,000 and \$1.5 million can also qualify.
- Businesses (including sole-proprietorships) and not-for-profits are eligible to apply if they have: 1) an operating company registered in Canada on or before Mar 1, 2020; 2) a federal tax number and filed a 2018 or 2019 tax return; and 3) an active business chequing account (**or apply for one**).
- Please contact your commercial bank and apply directly online. <https://ceba-cuec.ca/>
- **The CEBA program will end on ~~Aug 31, 2020~~ (extended to Mar 31, 2021).** Therefore, you must complete your CEBA application by this date. If applying on the basis of non-deferrable expenses, applicants must upload all supporting documents no later than that date.

CEBA 3.0 Con't

– Eligible non-deferrable expenses

The Eligible Non-Deferrable Expense categories are the following:

- Wages and other employment expenses to independent (arm's length) third parties;
- Rent or lease payments for real estate used for business purposes;
- Rent or lease payments for capital equipment used for business purposes;
- Payments incurred for insurance related costs;
- Payments incurred for property taxes;
- Payments incurred for business purposes for telephone and utilities in the form of gas, oil, electricity, water and internet;
- Payments for regularly scheduled debt service;
- Payments incurred under agreements with independent contractors and fees required in order to maintain licenses, authorizations or permissions necessary to conduct business by the Borrower.
- **Payments incurred for materials consumed to produce a product ordinarily offered for sale by the Borrower.**

<https://ceba-cuec.ca/>

CECRA & CEBA – Taxation of Forgivable Loans

The CECRA and the forgivable portion of CEBA are taxable when received (ITA s.12(1)(x)), but if and when repaid, are deductible when repaid (ITA s. 20(1)(hh)).

- This means that the 25% (up to \$10,000) forgivable portion of CEBA and 100% of CECRA will be taxable in 2020. If any of the forgivable portion is repaid, because requirements were not met, then this can be deducted in the taxation year when the amount is repaid.
- See CRA's [Income Tax Audit Manual - Compliance Programs Branch \(CPB\) Inducement Payments](#)
- As noted in the CPA information on the CEBA forgivable portion of loan, "A taxpayer can elect under Subsection 12(2.2) not to include the forgivable amount in its income by reducing its outlay or expenses in respect of which the loan is received by the same amount. The election can be made by sending a signed letter to CRA by the due date for the corporate tax return covering the period in which the expenditure was made."
- See CRA's [Technical Interpretation 2020-0861461E5 Tax Treatment of Loan Forgiveness under CEBA](#)

Ontario Small Business Support Grant

The Ontario government announced a new grant that will provide between \$10,000 and \$20,000 to eligible small businesses required to close or restrict services under the provincewide restrictions effective Dec 26, 2020.

- Eligible businesses are those with 100 or fewer employees who experienced a revenue drop of 20% in Apr 2020 compared to Apr 2019.
- The grant will cover a minimum of \$10,000 to a maximum of \$20,000 of Apr 2020 revenue losses.
- <https://www.app.grants.gov.on.ca/msrf/#/>

Canada Emergency Response Benefit (CERB)

- The CERB covers the following individuals:
 - Workers, including those who are self-employed, who must stop working due to COVID-19 and do not have access to paid leave or other income support;
 - Workers who lost their employment, as well as 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; and
 - 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.

CERB cont'd - Eligibility

- The CERB benefit applies to employees, contract workers and self-employed individuals who would not otherwise be eligible for EI. In order to be eligible for CERB, applicants must
 - Be residing in Canada, who are at least 15 years old;
 - Stopped working because of COVID-19 or are eligible for EI regular or sickness benefits;
 - Have not voluntarily quit their job;
 - Have had \$5,000 in employment income, self-employment income, or maternity/parental leave benefits in 2019 or in the 12-month period prior to their application (including T5 non-eligible dividends, i.e. those paid out of corporate income taxed at the small business rate.)
 - Have ceased working due to COVID-19 for at least 14 consecutive days within the four-week period in respect of which they apply for the payment. (Now allow people to earn up to \$1,000 per month while collecting the CERB.)

CERB cont'd – How to apply

- The CERB will be paid in blocks of four weeks in the amount of \$2,000, which is equivalent to \$500 per week. If an individual's situation continues, they can re-apply for a payment for multiple 4-week periods, to a maximum of 28 weeks (7 periods, \$14,000 in total).
- The government has launched an online application portal since Apr 6. You can apply for the benefit using CRA My Account, My Service Canada Account or by calling a toll free number (1-800-959-2019). **The deadline to apply for CERB is Dec 2, 2020.**
- If you have already applied for EI, and have not started receiving your benefits, you do not need to reapply for the CERB. Your claim will be automatically rolled into the CERB and benefits will be paid from this program first.

Canada Recovery Benefit (CRB)

- Bill C-2 new benefits: To implement 3 new benefits, effective from Sep 27, 2020 for one year:
 - **Canada Recovery Benefit (CRB):** Provide \$500 per week for up to ~~26 weeks~~ **38 weeks** to workers who are not eligible for EI but are looking for work. Income must have dropped by at least 50%, workers must be available and looking for work, and accept work where reasonable to do so.
 - **Canada Recovery Sickness Benefit (CRSB):** Provide \$500 per week for up to ~~2 weeks~~ **4 weeks** for workers who are sick or must self-isolate for COVID-19-related reasons.
 - **Canada Recovery Caregiving Benefit (CRCB),** Provide \$500 per week for up to ~~26 weeks~~ **38 weeks** per household, for eligible Canadians unable to work because they must care for a child under 12 or family member because schools, day-cares or care facilities are closed due to COVID-19 or because the child or family member is sick and/or required to quarantine.

CRB Eligibility Details

- The CRB benefits are geared mainly towards self-employed, and will have a condition similar to CERB, i.e. 15+ years old with a SIN# (and in Canada), stopped working due to COVID, and had earned income of \$5,000+ in 2019 or 2020 or last 12 months, and income must have dropped by at least 50%, workers must be available and looking for work, and accept work where reasonable to do so.
- The claimants would apply every 2-week period including an attestation.
- The claimants would need to repay some or all of the benefit through their income tax return if their annual net income, excluding the CRB payment, is over \$38,000. In other words, claimants would need to repay \$0.50 of the benefit for each dollar of their annual net income above \$38,000 in the calendar year to a maximum of the amount of benefit they received.

CRA Guideline on International Tax Issues

- CRA published a web page with its guidance on certain international income tax issues caused by the COVID-19 pandemic. The CRA has now announced that the guidance will continue to apply until Sep 30, 2020 (e.g. non-resident remained in Canada for more than 183 days, see below)
- **Income Tax Residency:** Where the individual has remained in Canada solely because of the Travel Restrictions, that factor alone will not cause CRA to consider the common-law factual test of residency to be met. In addition, as an administrative matter and in light of these extraordinary circumstances, CRA will not consider the days during which an individual is present in Canada and is unable to return to their country of residence solely as a result of the Travel Restrictions to count towards the 183-day limit for deemed residency. This will be CRA's position where, among other things, the individual is usually a resident of another country and intends to return, and does in fact return, to his or her country of residence as soon as he or she is able to do so.
- Refer to CRA web page for greater details:

<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/guidance-international-income-tax-issues.html>

New T4 reporting requirements

- For the 2020 tax year, the CRA will be introducing additional reporting for the T4 slip, Statement of Remuneration Paid. Additional reporting requirements will apply to all employers, and will help the CRA validate payments under the Canada Emergency Wage Subsidy (CEWS), the Canada Emergency Response Benefit (CERB), and the Canada Emergency Student Benefit (CESB). In addition to reporting employment income in Box 14 or Code 71, use new other information codes when reporting employment income and retroactive payments in the following periods:
 - Code 57: Employment income – Mar 15 to May 9
 - Code 58: Employment income – May 10 to Jul 4
 - Code 59: Employment income – Jul 5 to Aug 29
 - Code 60: Employment income – Aug 30 to Sep 26
- **Example: If you are reporting employment income for the period of Apr 25 to May 8, payable on May 14, use code 58.**

COVID-19 Tax due dates deferral – part 1

	Tax Return Due Date	Tax Payment Due Date
T1 Individuals	Deferred until <u>Jun 1, 2020</u> .	Any balance due for the 2019 T1 return has been extended from Apr 30, 2020, to <u>Sep 30, 2020</u> . Penalties (including late-filing penalties) and interest will not be applied if returns are filed and payments are made by Sep 30, 2020. Includes the Jun 15, 2020 instalment payment.
T1 with Self-employed and their spouse or common law partner	No deferral - Still due Jun 15, 2020.	
T2 Corporations	<p>Deferred until Jun 1, 2020. All administrative tax actions required under the Income Tax Act (ITA) that are due after Mar 18, 2020, until Jun 1, 2020. They include the filing of returns, forms, elections, designations, and responses to information requests.</p> <p>Further extended to <u>Sep 1, 2020</u>. Applicable to corporations that would otherwise have a filing deadline on May 31, or in Jun, Jul, or Aug 2020.</p>	Any income tax amounts that become owing or due after Mar 18, 2020 and before Sep 30, 2020 has been extended to <u>Sep 30, 2020</u> . <u>No penalties or interest if returns are filed and the balance due is paid by Sep 30, 2020.</u>

COVID-19 Tax due dates deferral – part 2

	Tax Return Due Date	Tax Payment Due Date
T3 Trust	Deferred - For trusts with a taxation year end of Dec 31, 2019, the filing due date of Mar 31, 2020, will be deferred to May 1, 2020.	All trusts that have an upcoming income tax balance due date or an income tax instalment payment due date before Sep 1, 2020, will have their payment due date effectively extended to Sep 30, 2020. Penalties and interest will not be applied if returns are filed and payments are made by Sep 30, 2020.
T5013 Partnership Information Return	Deferred until May 1, 2020 (for Dec 31, 2019 year ends), where all partners are corporations, May 31, 2020. Extended to Sep 30, 2020, applicable to partnerships that normally have a filing deadline on May 31, or in Jun, Jul, or Aug 2020.	
NR4 Information Return	Deferred until May 1, 2020.	

COVID-19 Tax due dates deferral – part 3

	Tax Return Due Date	Tax Payment Due Date
HST Returns	No deferral – however, no penalty for not filing HST returns on time.	Defer remittance of the GST/HST owing or due after Mar 27, 2020 to Jun 30, 2020 (including installments).
Payroll Remittances	No deferral - Payroll deductions and all related activities (except to the extent they relate to the reduction of remittances related to the temporary wage subsidy) must continue to be done on time.	
WSIB Premium	WSIB premium reporting and payments are deferred until Aug 31, 2020 (New: reporting deferred to Oct 31, 2020, but repayment of deferred WSIB premiums will not begin before Jan 2021).	
T1134, T1135, T1141 and T1142	No mention of any deferral, however: <ul style="list-style-type: none"> • T1134 Information Returns Relating to Controlled and Not-Controlled Foreign Affiliates – Deferred until Jun 1, 2020 for Dec 31, 2018 year ends. • T1135, T1141 and T1142 – 2019 foreign reporting forms deferred until May 1, 2020 for trusts and partnerships, and Jun 1, 2020 for individuals who are not self-employed or for corporation (or Sep 1, for certain corporations whose filing deadline was due otherwise on May 31, or in Jun, Jul, or Aug 2020). 	



Thank You!

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