



COVID-19: Government Benefits, Subsidy and Loan Programs

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Following the official declaration of the COVID-19 pandemic by the World Health Organization, Canada's Federal Government has introduced a number of stimulus benefits for individuals and businesses alike. These financial programs (some of which have been legislated) are meant to cushion the blow that so many Canadian business owners are facing, following the closure of all non-essential businesses, and the associated market downturn.

While the details of many of these programs are still being finalized, it is wise to examine all the options even in their early stages to determine whether your business is eligible to apply. Given that we do not know how long this economic downturn will last, it is advisable to familiarize yourself with all the available subsidies and be prepared to accept any extra financing that you may need in order to remain financially viable during this unprecedented time.

The team at Geib & Company has gathered a list of all the available programs to date, and we will be updating this page as new information becomes available. Let's take a closer look.

Flexibility for Businesses and Individuals Tax Filing and Payment Deadlines

The Canada Revenue Agency ("CRA") will now allow the following extensions:

- Corporations: Any off-calendar year-end returns due after March 18, 2020 and before June 1, 2020, the deadline is June 1, 2020. No changes if the year-end is December 31. Tax payments are extended until September 1, 2020 and applies to all balances and installments ONLY under Part 1 that is due on or after March 18 and before September 1, 2020;
- Trusts & Partnerships: The new extension is now May 1, 2020 and this does not apply to GRE trusts. The payment deadline of taxes is extended to September 1, 2020;
- 2019 NR4 information return: The new extension is now May 1, 2020 (Part XIII non-resident tax).
- GST: New extension until June 30, 2020. This is applicable for monthly filers who collected for periods from February through April; quarterly filers due as of March 30 and annual filers where due date is March and before May 2020;
- Personal Taxes for individuals: Filing is now extended to June 1, 2020. Individuals and/or families receiving Canada Child Tax Benefits and/or GST/HST Credits are strongly encouraged to file by April 30, 2020 to reduce any possible interruptions regarding these benefits;
- Charities: If return is due after March 18, 2020, the new deadline is now December 31, 2020; and
- Filing of CRA objections: If the deadline is after March 18, 2020, the new deadline is now June 30, 2020.

What is NOT Covered Under the COVID-19 Relief Extension

- Any taxes other than Part 1 such as Part IV, IV.1, or XII taxes are due on their usual dates. Payroll remittances must be made on their due dates – businesses eligible for the COVID-19 wage subsidy can take an appropriate reduction in the remittance amounts;
- Withholding under Reg. 102, 105 and 116 are due under normal due dates;
- No relief for prescribed form information, for example, if you are applying for SR&ED tax incentives, there is no relief;

- Self-employed returns are due as of June 15, 2020; and
- SIFT trusts with returns due as of March 30 are not covered.

The CRA will contact any small or medium (“SME”) businesses to initiate any pos assessment GST/HST or Income Tax audits for the next four weeks. For the vast majority of businesses, the CRA will temporarily suspend audit interaction with taxpayers and representatives.

Detailed information regarding filing deadlines and payments can be sourced by clicking [here](#).

Canada Emergency Response Benefit ("CERB")

To support workers and help businesses keep their employees, the government has **proposed** legislation to establish the Canada Emergency Response Benefit. This taxable benefit would provide \$2,000 a month for up to four months for workers who lose their income as a result of the COVID-19 pandemic. The CERB would cover Canadians who have lost their job, are sick, quarantined, or taking care of someone who is sick with COVID-19, as well as working parents who must stay home without pay to care for children who are sick or at home because of school and daycare closures. The CERB would apply to wage earners, as well as contract workers and self-employed individuals who would not otherwise be eligible for Employment Insurance (EI).

This program also applies to workers who are still employed but are not receiving income because of disruptions to their work situation due to COVID-19 — who would also qualify for the CERB. This would help businesses keep their employees as they navigate these difficult times, while ensuring they preserve the ability to quickly resume operations as soon as it becomes possible. Canadians who have ceased working due to COVID-19, whether they are EI-eligible or not, would be able to receive the CERB to ensure they have timely access to the income support. Canadians who are already receiving EI regularly and sickness benefits as of today, would continue to receive their benefits and should not apply to the CERB.

The CERB measures will be accessible online starting April 6, 2020 and one can apply online through your [CRA My Account](#) to have funds come directly to your direct deposit account. If you have not already set up your CRA My Account, we recommend you do so prior to the application date listed in the chart below:

Day to Apply for the Canada Emergency Response Benefit		
In you were born in the month of	Apply for CERB on	Your best day to apply
January, February or March	Mondays	April 6, 2020
April, May or June	Tuesdays	April 7, 2020
July, August or September	Wednesdays	April 8, 2020
October, November or December	Thursdays	April 9, 2020
Any month	Fridays, Saturdays and Sundays	

Canada Emergency Wage Subsidy (“CEWS”)

In a press conference and technical briefing held on April 8, 2020, the Department of Finance provided additional information regarding the proposed Canadian Emergency Wage Subsidy (CEWS). Please be advised that although the government has announced these incentives, the appropriate legislation has not been passed by the Canadian Parliament and has not received Royal Assent to become law. What follows is our understanding of how the program will work, if enacted as presently proposed, based on the details provided in the press conference and technical briefing.

The Canada Emergency Wage Subsidy would provide a 75% wage subsidy to eligible employers for up to 12 weeks, retroactive to March 15, 2020.

Eligible Employers

Eligible employers would include individuals, taxable corporations, and partnerships consisting of eligible employers as well as non-profit organizations and registered charities.

This subsidy would be available to eligible employers that see a drop of at least 15% of their revenue in March 2020 and 30% for the following months (see *Eligible Periods*). In applying for the subsidy, employers would be required to attest to the decline in revenue.

Organizations that do not qualify for the Canada Emergency Wage Subsidy may qualify for the previously announced wage subsidy of 10% of remuneration paid from March 18 to before June 20, 2020.

Calculating Revenues

An employer’s revenue for this purpose would be its revenue in Canada earned from arm’s-length sources. Revenue would be calculated using the employer’s normal accounting method and would exclude revenues from extraordinary items and amounts on account of capital.

The government is clarifying that employers would be allowed to calculate their revenues under the accrual method or the cash method, but not a combination of both. Employers would select an accounting method when first applying for the CEWS and would be required to use that method for the entire duration of the program.

For registered charities and non-profit organizations, the calculation will include most forms of revenue, excluding revenues from non-arm’s length persons. These organizations would be allowed to choose whether or not to include revenue from government sources as part of the calculation. Once chosen, the same approach would have to apply throughout the program period.

Amount of Subsidy

The subsidy amount for a given employee on eligible remuneration paid for the period between March 15 and June 6, 2020 would be the greater of:

- 75% of the amount of remuneration paid, up to a maximum benefit of \$847 per week; and
- the amount of remuneration paid, up to a maximum benefit of \$847 per week or 75% of the employee’s pre-crisis weekly remuneration, whichever is less.

In effect, employers may be eligible for a subsidy of up to 100% of the first 75% of pre-crisis wages or salaries of existing employees. These employers would be expected where possible to maintain existing employees’ pre-crisis employment earnings.

The pre-crisis remuneration for a given employee would be based on the average weekly remuneration paid between January 1 and March 15 inclusively, excluding any seven-day periods in respect of which the employee did not receive remuneration.

Employers will also be eligible for a subsidy of up to 75% of salaries and wages paid to new employees.

Eligible remuneration may include salary, wages, and other remuneration like taxable benefits. These are amounts for which employers would generally be required to withhold or deduct amounts to remit to the Receiver General on account of the employee's income tax obligation. However, it does not include severance pay, or items such as stock option benefits or the personal use of a corporate vehicle.

A special rule will apply to employees that do not deal at arm's length with the employer. The subsidy amount for such employees will be limited to the eligible remuneration paid in any pay period between March 15 and June 6, 2020, up to a maximum benefit of the lesser of \$847 per week and 75% of the employee's pre-crisis weekly remuneration. The subsidy would only be available in respect of non-arm's length employees employed prior to March 15, 2020.

There would be no overall limit on the subsidy amount that an eligible employer may claim.

Refund for Certain Payroll Contributions

The Government is proposing to expand the CEWS by introducing a new 100% refund for certain employer-paid contributions to Employment Insurance, the Canada Pension Plan. This refund would cover 100% of employer-paid contributions for eligible employees for each week throughout which those employees are on leave with pay and for which the employer is eligible to claim for the CEWS for those employees.

In general, an employee will be considered to be on leave with pay throughout a week if that employee is **remunerated by the employer for that week but does not perform any work for the employer in that week**. This refund would not be available for eligible employees that are on leave with pay for only a portion of a week.

This refund would not be subject to the weekly maximum benefit per employee of \$847 that an eligible employer may claim in respect of the CEWS. There would be no overall limit on the refund amount that an eligible employer may claim.

For greater certainty, employers would be required to continue to collect and remit employer and employee contributions to each program as usual. Eligible employers would apply for a refund, as described above, at the same time that they apply for the CEWS.

Eligible Periods

Eligibility would generally be determined by the change in an eligible employer's monthly revenues, year-over-year, for the calendar month in which the period began. The government has since announced that all employers would be allowed to calculate their change in revenue using an alternative benchmark to determine their eligibility. This would provide more flexibility to employers for which the general approach may not be appropriate, including high-growth firms, sectors that faced difficulties in 2019, non-profits and charities, as well as employers established after February 2019. Under this alternative approach, employers would be allowed to compare their revenue using an average of their revenue earned in January and February 2020. Employers would select the general year-over-year approach or this alternative approach when first applying for the CEWS and would be required to use the same approach for the entire duration of the program

The amount of wage subsidy (provided under the [COVID-19 Economic Response Plan](#)) received by the employer in a given month would be ignored for the purpose of measuring year-over-year changes in monthly revenues.

- For example, if revenues in March 2020 were down 20% compared to March 2019, the employer would be allowed to claim the CEWS (as calculated above) on remuneration paid between March 15 and April 11, 2020;
- Alternatively, this employer could use its average revenue from the months of January and February 2020, instead of March 2019, to determine if it is eligible for the CEWS; and
- Once an approach is chosen, the employer would have to apply it throughout the program period. The table below outlines each claiming period, the required reduction in revenue and the reference period for eligibility.

	Claiming Period for Wages	Required Reduction in Revenue	Reference Period for Eligibility for Revenues
Period 1	March 15 to April 11	15%	March 2020 over: <ul style="list-style-type: none"> • March 2019 or • Average January and February 2020
Period 2	April 12 to May 9	30%	April 2020 over: <ul style="list-style-type: none"> • April 2019 or • Average of January and February 2020
Period 3	May 10 to June 6	30%	May 2020 over: <ul style="list-style-type: none"> • May 2019 or • Average of January and February 2020
Period 4	June 7 to July 4	30%	June 2020 over: <ul style="list-style-type: none"> • June 2019 or • Average of January and February 2020

On July 17, 2020, the Minister of Finance proposed changes to the Canadian Emergency Wage Subsidy (CEWS) legislation, which includes an expansion of the CEWS to December 19, 2020. Please be advised that although the government has announced these incentives, the appropriate legislation has not been passed by the Canadian Parliament and has not received Royal Assent to become law. These amendments add considerable complexity to the CEWS regime.

Effective July 5, 2020, the CEWS would consist of two parts:

- a base subsidy available to all eligible employers that are experiencing a decline in revenues, with the subsidy amount varying depending on the scale of revenue decline; and
- a top-up subsidy of up to an additional 25 per cent for those employers that have been most adversely affected by the COVID-19 crisis. Generally, employers that have experienced a 3-month average revenue drop of more than 50 percent compared to the previous year would be eligible to receive a top-up.

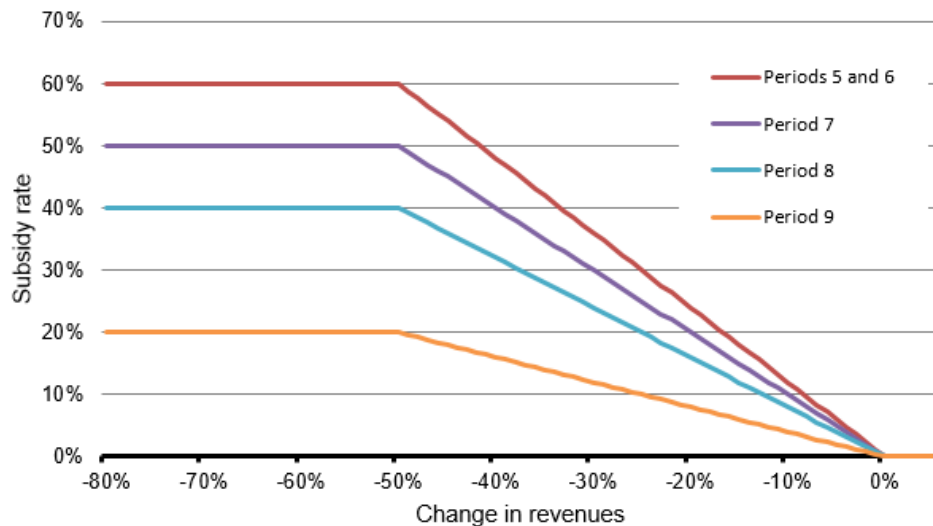


The two-part CEWS would apply with respect to the remuneration of active employees and there is a separate CEWS rate structure that would apply to furloughed employees. In addition, a safe harbour would be available to ensure that, through August 29 (periods 5 and 6), employers would have access to a CEWS rate that is at least as generous as they would have had under the initial CEWS structure. 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.

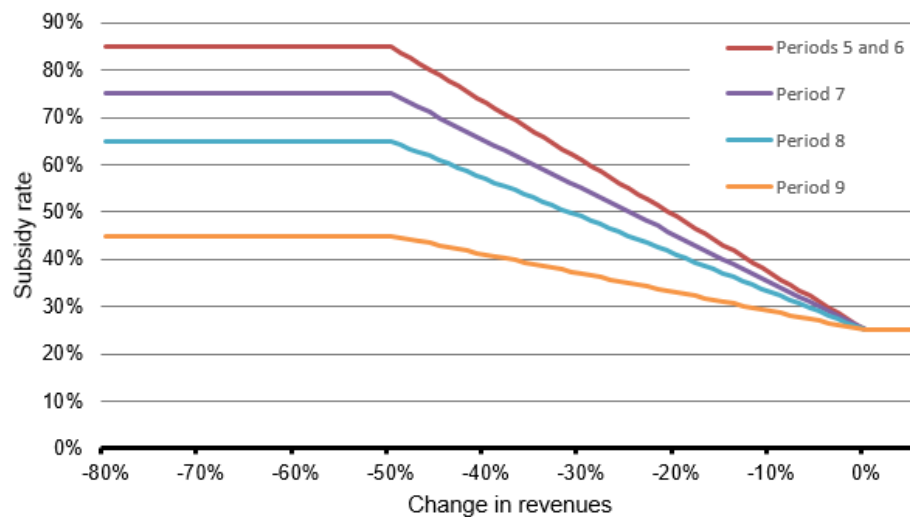
Reference claim periods for the CEWS are as follows:

- Period 5 – July 5 to August 1, 2020
- Period 6 – August 2 to August 29, 2020
- Period 7 – August 30 to September 26, 2020
- Period 8 – September 27 to October 24, 2020
- Period 9 – October 25 to November 21, 2020

Rate structure of the base CEWS, without the top-up



Rate structure of the CEWS, with 25% top-up



Eligible employees

An eligible employee is an individual who is employed in Canada.

Eligibility for the CEWS of an employee's remuneration, will be limited to employees that have not been without remuneration for more than 14 consecutive days in the eligibility period, i.e., from March 15 to April 11, from April 12 to May 9, and from May 10 to June 6.

This rule replaces the previously announced restriction that an employer would not be eligible to claim the CEWS 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.

How to Apply

Eligible employers would be able to apply for the Canada Emergency Wage Subsidy through the Canada Revenue Agency's My Business Account portal as well as a web-based application. More details about the application process will be made available soon. It is not known if our office will be able to access this subsidy through the 'represent a client' access that we currently have with your CRA account. **Our office is strongly encouraging that all businesses register for the My Business Account.** Our office has prepared a step by step instruction process, if you would like a copy of this document, please do not hesitate to contact us.

Interaction with 10% Wage Subsidy

On March 18, 2020, the Prime Minister announced a temporary 10% wage subsidy. For employers that are eligible for both the Canada Emergency Wage Subsidy and the 10% wage subsidy for a period, any benefit from the 10% wage subsidy for remuneration paid in a specific period would generally reduce the amount available to be claimed under the Canada Emergency Wage Subsidy in that same period.

Temporary Wage Subsidy for Employers ("WS")

WS was brought in a wage subsidy for the next 90 days, up to a maximum of \$1,375 per employee and \$25,000 per employer. To be specific, the subsidy is equal to 10% of the remuneration you pay from March 18, 2020 to June 19, 2020, up to \$1,375 for each eligible employee and to a maximum of \$25,000 total per employer. It is a three-month measure. It will allow eligible employers to reduce the amount of payroll deductions required to be remitted to the Canada Revenue Agency (CRA). The subsidy must be calculated manually, either by you or whoever is responsible for making your payroll remittances. The CRA will not automatically calculate the allowable subsidy. An eligible employee is an individual who is employed in Canada. The following businesses are eligible, if you are:

1. An individual (excluding trusts);
2. A partnership (partnerships are only eligible for the subsidy if their members consist exclusively of individuals (excluding trusts), registered charities, or Canadian-controlled private corporations (CCPCs) eligible for the small business deduction);
3. A non-profit organization;
4. A registered charity;
5. A Canadian-controlled private corporation (including a cooperative corporation) eligible for the small business deduction;
6. Have an existing business number and payroll program account with the CRA on March 18, 2020;

7. Pay salary, wages, bonuses, or other remuneration to an eligible employee; and
8. The subsidy calculation is based on the total number of eligible employees employed at any time during the three-month period.

Please see the following example scenarios:

Scenario 1

You have 5 eligible employees earning monthly salaries of \$4,100 for a total monthly payroll of \$20,500. Your wage subsidy for the month will be 10% of \$20,500, or \$2,050.

For the three-month period, if all your payroll information remains the same in each month, you will pay \$61,500 of remuneration. Therefore, 10% of the remuneration you pay in the three-month period is \$6,150.

Since this amount is below the maximum allowable amount of \$6,875 ($\$1,375 \times 5$ employees), your total wage subsidy for the three-month period will be \$6,150.

Scenario 2

You have 8 eligible employees earning monthly salaries of \$4,750 for a total monthly payroll of \$38,000. Your wage subsidy for the month will be 10% of \$38,000, or \$3,800.

For the three-month period, if all your payroll information remains the same in each month, you will pay \$114,000 of remuneration. Therefore, 10% of the remuneration you pay in the three-month period is \$11,400.

Since this amount is above the maximum allowable amount of \$11,000 ($\$1,375 \times 8$ employees), your total wage subsidy for the three-month period will be capped at \$11,000.

Businesses do not need to apply for the subsidy. Businesses will continue deducting income tax, Canada Pension Plan (CPP) contributions, and Employment Insurance (EI) premiums from salary, wages, bonuses, or other remuneration paid to your employees, as you currently do. The subsidy is calculated when you remit these amounts to the CRA. Once the business has calculated its applicable subsidy, you can reduce your current payroll remittance of federal, provincial, or territorial income tax that you send to the CRA by the amount of the subsidy. It is important to know that a business cannot reduce its remittance of CPP contributions or EI premiums. Businesses must continue remitting the CPP contributions and EI premiums that businesses deducted from their employees, as well as your share of CPP contributions and EI premiums, to the CRA. You can start reducing payroll remittances of federal, provincial, or territorial income tax in the first remittance period that includes remuneration paid from March 18, 2020 to June 19, 2020, i.e. you can reduce your payroll remittance that is due to the CRA on April 15, 2020.

It is important to note that if the business did not pay salary, wages, bonuses, or other remuneration to an eligible employee from March 18, 2020 to June 19, 2020, it cannot receive the subsidy, even if you are an eligible employer. In addition, if your business receives the subsidy, it must report the total amount as income in the year in which the subsidy is received.

Detailed information and the source of the above information can be reviewed, by [clicking here](#).

Financial Institution Assistance

BDC and EDC are working with private sector lenders to coordinate on credit solutions for individual businesses.

This program includes:

Canada Emergency Business Account (“CEBA”)

The new Canada Emergency Business Account will provide interest-free loans of up to \$40,000 to small businesses and non-profit organizations, 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 \$50,000 to \$1 million in total payroll in 2019. A quarter of this loan (up to \$10,000) may be eligible for complete forgiveness.

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.

Priority will be given to existing customers.

These programs will roll out shortly and interested businesses should work with their current financial institutions. Please be advised that although the government has announced these incentives, the appropriate legislation has not been passed by the Canadian Parliament and has not received Royal Assent to become law.

Business Development Bank of Canada (“BDC”)

BDC and Export Development Canada (“EDC”) to provide more than \$10 billion of additional support, largely targeted to small and medium-sized businesses. This will be an effective tool for helping viable Canadian businesses remain resilient during these very uncertain times. BDC introduced a program to support Canadian companies during these uncertain times. While there is no formal description located outlining the content of the program, Geib & Company contacted BDC on its own and were able to gather some information related to this program. The following is a high-level information on the new loan program and some of the information that BDC will be looking at:

1. While it certainly accepts new clients, BDC may work with existing clients in priority;
2. Businesses which BDC could not work with in the past and declined lending application will least likely fit for that program;
3. Maximum lending is \$2 million;
4. 12 months interest only payments;
5. 36 months term to a 60% balloon after initial postponement;
6. Pricing: Floating Only (Base (5.05%— 1.75%); 3.3% currently and may change;

7. Second rank General Security Agreement and/or potential real estate charge (case dependent on the latter); and
8. May ask for personal guarantees.

Required documentation (not a conclusive list, BDC may ask additional documentation):

1. Most recent three years of accountant prepared year-end financial statements; (for the Borrower and related companies);
2. Most recent interim financial statements (if year-ends are more than 3 months old) with comparisons to the previous year's interim period (if available);
3. Projections and/or a cash flow forecast (as required — a 6 month cash flow forecast may be most applicable); and
4. An organizational chart to the beneficial ownership level (i.e. shareholder level) listing all companies in the group.

Some of the required due diligence questions (again, this is not conclusive and additional questions may be asked):

1. At what activity level do you anticipate to operate at over the next six months (i.e. full shut down or reduced capacity), with source any continued demand?
2. With a working capital loan and/or postponement (and support from other lenders) does this cover your cash needs for the next six months?
3. What are your agreements with key suppliers (and customers) on payment terms / support for the next six months?
4. What are the key carrying costs (cash burn) for the next 6 months?
5. Do you have line-of-sight to required raw materials for the next six months?
6. If there is a franchisor involved, have they suspended required payments?

If you have additional questions or require additional information, please contact your trusted Geib & Company advisor.

The EDC BCAP Guarantee is a new partnership between EDC and financial institutions across Canada to support businesses financially impacted by the COVID-19 pandemic. EDC will provide a guarantee to your financial institution, giving you access to additional credit for payroll and operational costs. While no specifics are available regarding this program, clients are encouraged to contact an EDC account manager about any additional support they require. For assistance with insurance products and online portals call 1-866-716-7201 or contact EDC by email. New EDC clients should use a toll-free number at 1-800-229-0575.

Priority will be given to existing customers.

Mortgage Default Management ("MDM")

The Federal government on March 16 introduced an Insured Mortgage Purchase Program to purchase \$50B of insured mortgage pools through the Canada Mortgage and Housing Corporation ("CMHC"). This will assist long-term stability to fund banks and lenders who can assist homeowners experiencing financial difficulty. These include payment deferral, loan re-amortization, capitalization of outstanding interest

arrears and other eligible expenses, and special payment arrangements. CMHC will permit lenders to allow payment deferral beginning immediately.

Those individuals who think they can benefit from this tool should be directed to the financial institutions where they have mortgage facilities to discuss all details. It is important to know that financial institutions may have conditions applicable to this tool and may have approval processes in place.

Canada Child Tax Benefit

Eligible recipients will receive \$300 more per child with their regular May CCB payment. If you have previously applied for the CCB, you do not need to re-apply. For more information on the Canada Child Benefit such as how to apply and eligibility requirements, go to Canada child benefit or call 1-800-387-1193. **Despite the change in the filing deadlines, your 2019 personal income return must be filed by April 30, 2020 to ensure any CCB benefits are not interrupted.**

Record of Employment - EI

- Sickness (Code D) – zero waiting period
- Temporary (Shortage of work - Code A) – one week waiting period
- Permanent (Code E) – one week waiting period
- Leave of Absence (Code N) – one week waiting period

Temporary Layoffs

1. Record of employment for a temporary layoff will use the Code A (Shortage of work).
2. There is a one week waiting period to be paid benefits.
3. The maximum duration of a temporary layoff is 60 days within a 120-day period. After this the employer must pay termination pay. On the 61st day of a temporary layoff, the employee's employment is considered to be ended, and the employer must pay termination pay.
4. Vacation pay/time is not required to be pay out with a temporary layoff. Ask the employee if they would like this paid out. It is important that they understand that if they receive vacation pay when they are on EI the EI will be clawed back.
5. Notice of the temporary layoff must be in writing and state that it's a temporary layoff notice and the effective date; and
6. Notice to be provided:
 - At least one-week notice must be given if the employee has been employed for less than 2 years;
 - At least two weeks notice must be given if the employee has been employed by the employer for 2 years or more; and
 - **If there are unforeseeable circumstances (such as COVID-19), employers are required to provide as much notice as possible. Employees are entitled to proper notice. The timing of the notice may vary if unforeseeable circumstances occur (such as COVID-19).**

Sickness Leave

- Record of employment for a Sickness leave will use the Code D (Sickness);
- There is a zero-waiting period to be paid benefits;
- Maximum duration for the sickness leave is 15 weeks; and
- The Government has detailed that they are waiving the medical note that is typically required for individuals who are required to go into quarantine or self-isolation. Should the quarantine or isolation be required to be extended there may be the requirement for a medical certificate.

Work Sharing Program ("WSP")

Work-Sharing (WS) is a program that helps employers and employees avoid layoffs when there is a temporary decrease in business activity beyond the control of the employer. The program provides EI benefits to eligible employees who agree to reduce their normal working hours and share the available work while their employer recovers. Work-Sharing is an agreement between employers, employees and the Government of Canada.

WSP allows employers to retain qualified and experienced workers and avoid recruiting and training new employees. WSP allows employees to keep their jobs and maintain their work skills. Key program features are as follows:

WSP unit is a group of employees with similar job duties who agree to reduce their hours of work over a specific period of time;

Equal sharing of work: All members of a WSP unit agree to reduce their hours of work by the same percentage and to share the available work;

Expected work reduction: A WSP unit must reduce its hours of work by at least 10% to 60%. The reduction of hours can vary from week to week, as long as the average reduction over the course of the agreement is from 10% to 60%; and

Agreement length and extension: A WSP agreement has to be at least 6 consecutive weeks long and can last up to 26 consecutive weeks. Employers may be able to extend their agreements up to a total of 76 weeks.

WSP temporary special measures are to support employers and workers affected by COVID-19 effective March 15, 2020 to March 14, 2021, and it is not limited to one specific sector or industry. The Government of Canada is introducing temporary special measures.

1. Extension of the maximum possible duration of an agreement from 38 weeks to 76 weeks;
2. Mandatory cooling off period has been waived for employers who have already used the WSP so that eligible employers may immediately enter into a new agreement;
3. Reduce the requirement and expand eligibility to employers affected by accepting businesses who have been in business for only 1 year rather than 2 and eliminate the burden of having to provide sales/production figures at the same time.

To be eligible for a WSP agreement, your business must:

1. Be a year-round business in Canada for at least 1 year;
2. Be a private business, a publicly held company or a not-for-profit organization; and
3. Have at least 2 employees in the WSP unit.

Your business is not eligible for WS if it is experiencing a reduction in business activity due to:

1. A labour dispute;
2. A seasonal shortage of work;
3. A pre-existing and/or recurring production slowdown; and
4. There is a decrease in business activity due to a recent increase in the size of the workforce.

To be eligible for WS, your employees must:

1. Be year-round, permanent, full-time or part-time employees needed to carry out the day-to-day functions of the business (your "core staff");
2. Be eligible to receive EI benefits; and
3. Agree to reduce their normal working hours by the same percentage and to share the available work.

Employees that are not eligible for WS include:

1. Seasonal employees and students hired for the summer or a co-op term;
2. Employees hired on a casual or on-call basis, or through a temporary help agency; and
3. Employees who are needed to help generate work and/or who are essential to the recovery of the business. For example: senior management, executive-level marketing/sales agents, outside sales representatives, technical employees engaged in product development, employees who hold more than 40% of the voting shares in the business.

Employers are now requested to submit their applications 10 calendar days prior to the requested start date, whereas prior to COVID-19, employers were requested to send their WSP application (and supporting documentation) 30 calendar days prior to their requested start date.

To inquire and apply, employers across Canada may call toll-free 1-800-367-5693. Hours of operation are 7:00 am to 8:00 pm, Eastern Time, Monday to Friday. Service Canada has also created an inquiry unit for clients affected by COVID-19 that are seeking information related to the WSP. Inquiries can be to EDSC.WT.WS-TP.ESDC@servicecanada.gc.ca for specific Work-Sharing information or to request general information about the Program.

Employer Paid Top up to EI Benefits (“Sub Plan”)

Employees may claim EI benefits AND the employer pays a top up to the employee.

1. The amount of the top up plus the EI benefit cannot exceed 95% of the employee’s regular weekly earnings;
2. The top up must be paid periodically (weekly or bi-weekly) and not in a lump sum;
3. Payments must be reported by employer and employee;
4. A Sub Plan must be registered with Service Canada. This is a simple process; and
5. There is no waiting period, once you register (email or fax in the forms) and the employee begins to receive the EI benefit, you can begin to pay the top up.

The following is an example of how the top up payment works:

Scenario

- Employee's normal weekly earnings before layoff: \$1,200;
- 95% of normal weekly earnings: \$1,140 (95% of \$1,200);
- EI benefit: \$573 (maximum EI payment); and
- Max sub payment employer can make is \$567 (\$1,140 - \$573).

Total for the week = \$567 (employer top up) + \$573 (EI) = \$1,140

Additional notes to the above:

- The employer does not have to pay the maximum amount (95% of weekly earnings). It can pay out any amount, provided the amount does not exceed 95% of regular earnings;
- There is a slightly different calculation if the employee is working elsewhere. Check out the Service Canada Page for the calculation of the Top Up if the employee has EI benefits and alternate employment income; and
- The employee will have a one week waiting period before getting EI benefits (unless, the employee is claiming benefits for illness or quarantine). Employers can choose whether to pay any amount to the employee, up to 95%, during this one week waiting period.

The process for registering a Sub Plan, as far as government programs go, does not appear to be a simple process. Employers must submit two (2) documents to Service Canada. If you are unionized, you must also attach a copy of your collective agreement. The first document is the Sub Plan. The second document is Form SC-NAS5036. Send the signed Sub Plan (on your letter head) and the completed Form SC-NAS5036 to Service Canada by email or fax at 1-506-548-7473. In addition, for information on the SUB Plan, please visit Service Canada or contact the Sub Plan Department at 1-800-561-7923.

Tax Measures Specific to Alberta

Workers Compensation Board and COVID-19

Premium relief is forthcoming. Invoices for 2020 have been stopped for the remainder of the year and WCB will refund employers who have already made payments towards their 2020 premiums. No interest charges will be applied for unpaid 2020 premiums. Refund cheques will begin being issued and mailed the week of April 6.

Workers will suffer no loss of benefits due to work disruptions. New account applications will be accepted online, and clearance certificates can still be requested. In regard to existing claims the benefit payments will continue as scheduled and expense reimbursements (including prescriptions) can still be sent to WCB via the online services at <https://www.wcb.ab.ca/resources/for-workers/online-services/>.

Emergency Isolation Support

Eligible working Albertans can receive a one-time [emergency isolation support](#) payment of \$1,146 if they:

1. Experienced total or significant loss of income as a result of having to self-isolate, or are the sole caregiver of a dependent who is self-isolating; and
2. Have no other source of compensation, such as workplace sick leave benefits or federal employment insurance benefits.

Which Programs are Right for Me?

As the COVID-19 pandemic continues to unfold, the team at Geib & Company remains 100% operational. We are committed to providing our clients with updated, detailed information on all the new financial programs that could be of assistance during this challenging time. For more specific information regarding your eligibility and the application process, reach out to one of our team members today.

This report has been written and is credited to our Nexia team members from [Zeifmans LLP](#), [Givens LLP](#) and [Geib & Company Professional Corporation](#).