

Recap of COVID-19 Business Support Programs

The **Canada Emergency Wage Subsidy (CEWS)** will cover 75% of an employee's wages on the first \$58,700 - up to \$847 per week. Program runs from March 15 to June 6. CEWS has been expanded by providing a 100% refund on employer contributions to EI and CPP.

NEW INFORMATION

On April 21, 2020, the federal government announced that effective Monday, April 27, 2020, employers will be able to **apply online** through their "My Business Account." Before applying, employers will have to calculate the estimated amount of the subsidy to be claimed. The CRA has provided an **online calculator** to assist with this requirement.

The Government of Canada has introduced the **Business Credit Availability Program** to help business obtain financing. Through this program Export Development Canada EDC and the Business Development Bank BDC will provide \$65 Billion in direct lending and is working with financial institutions to co-lend term loans to SMEs for their operational cash flow requirements. Businesses should contact their primary lender where they have a pre-existing relationship for more information.

BCAP includes the following programs:

Canada Emergency Business Account (CEBA) - Interest-free credit facilities up to \$40,000 available for small businesses with payrolls between \$50,000 to \$1 million. If loan is repaid by December 31, 2022 - 25% of loan will be forgiven.

EDC Loan Guarantee for Small & Medium Sized Enterprises - This program allows financial institutions to issue operating credit and cash flow term loans of up to \$6.25 million to existing clients with 80% guaranteed by EDC. Money is to be used for operational expenses.

BDC Co-Lending Program for Small & Medium Enterprises - This program provides term loans for operational and liquidity needs of businesses. The program is designed in three segments to target support to different business sizes.

- Loans of up to \$312,500 to businesses with revenues of less than \$1 million.
- Up to \$3.125 million for businesses with revenues between \$1 million and \$50 million.
- Up to \$6.25 million for businesses with revenues in excess of \$50 million.

Loans would be interest-only for the first 12 months, with a 10-year repayment period.

Businesses can **defer their WSIB insurance premium payments** for six (6) months. This measure is administered by the Workplace Safety and Insurance Board ("WSIB"). All employers covered by the WSIB's workplace insurance are automatically eligible. Eligible workplaces can defer their premium payments until August 31, 2020.

The Federal Government's COVID-19 Economic Response Plan allows businesses to **defer until September 1, 2020, the payment of any income tax** that becomes owing between March 18, 2020 and August 31, 2020.

Deferral of GST/HST Remittances and Customs Duties for payments or remittances that become owing on or after March 27, 2020, and before June 2020. No interest will apply so long as payments or remittances are made by June 30, 2020.

Employer Health Tax exemptions. These include **increasing the Employer Health Tax exemption** for 2020 from \$490,000 to \$1 million and a five-month relief period for Ontario businesses who are unable to file or remit their provincial taxes on time due to the special circumstances caused by the coronavirus (COVID-19) in Ontario. Other provinces are following similar protocols.

For a complete list of programs for Business and Individuals under **Canada's COVID-19 Economic Response Plan click here.**