

# Funding guide

## Federal government economic response to COVID-19

Effective April 2, 2020



## Support for businesses

PROGRAM	BENEFIT and ELIGIBILITY	IMPLEMENTATION and HOW TO APPLY
<b>INCENTIVES</b>		
<b>Canada Emergency Wage Subsidy (CEWS)</b>	<p><b>The Canada Emergency Wage Subsidy provides a temporary 75% wage subsidy</b> of eligible remuneration paid between March 15 and June 6, 2020, for eligible employers, including:</p> <ul style="list-style-type: none"><li>• Taxable corporations</li><li>• Partnerships</li><li>• Nonprofit organizations</li><li>• Charities</li></ul> <p>Eligible remuneration includes salaries, wages and other remuneration that are generally subject to withholding, but excludes severance pay, stock option benefits or corporate use of a corporate vehicle.</p> <p>Organizations must show a drop in revenues of at least <b>30%</b> due to COVID-19 compared to the same month the prior year for the months of March, April and May.</p> <p>This benefit will apply on the first <b>\$58,700</b> earned or <b>up to \$847 a week</b>.</p> <p>There is no ceiling to the amount that an eligible employer can claim.</p> <p>Employers must also do their best to top-up their employees' compensation to pre-crisis levels.</p> <p>The government hopes that this measure will enable employers to re-hire workers previously laid off, and to keep those who are already on payroll.</p>	<p>This benefit will be retroactively applied to <b>March 15, 2020</b>.</p> <p>Eligible employers will be able to apply through the Canada Revenue Agency's <i>My Business Account</i> portal once it is ready, which is expected <b>within six weeks</b>.</p> <p>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 <b>generally reduce the amount</b> available to be claimed under the Canada Emergency Wage Subsidy in that same period.</p> <p>For more information, <a href="#">click here</a>.</p>

<p><b>Temporary Wage Subsidy</b></p>	<p>Organizations that do not qualify for the Canada emergency wage subsidy may qualify for the <b>wage subsidy of 10% of remuneration</b> paid from March 18, 2020, to before June 20, 2020, up to a maximum subsidy of <b>\$1,375 per employee</b> and <b>\$25,000 per employer</b>.</p> <p><b>Eligible organizations include:</b></p> <ul style="list-style-type: none"> <li>• <b>Nonprofit</b> organizations, <b>registered charities</b> and <b>CCPCs</b></li> <li>• Have a BN on March 18, 2020, and pay compensation to employees</li> <li>• CCPCs are only eligible for the subsidy if their <b>taxable capital employed in Canada</b> for the preceding taxation year, calculated on an <b>associated group basis</b>, is <b>less than \$15 million</b>.</li> </ul> <p>Associated CCPCs will <b>not be required to share the maximum</b> subsidy of \$25,000 per employer.</p>	<p>Businesses will be able to benefit immediately from this support by <b>reducing</b> their remittances of <b>income tax withheld</b> on their employees' remuneration, on April 15, May 15 and June 15. The reduction can only be made against income taxes withheld, but not EI or CPP.</p> <p>For more information, <a href="#">click here</a>.</p>
<p><b>Employment insurance work-sharing program</b></p>	<p>The program provides <b>employment insurance</b> benefits to eligible employees who agree to reduce their normal working hours and share the available work while their employer recovers</p> <p>Workers who agree to reduce their normal working hours as a result of developments beyond the control of their employers can receive employment insurance benefits for an extended period of <b>up to 76 weeks</b> due to the downturn in business as a result of COVID-19.</p> <p>To receive the benefit, a reduction of work by at least <b>10% to 60%</b> is required.</p> <p>Eligibility criteria must be met by both employees and employers.</p>	<p>In response to COVID-19 emergency, application processing time has been reduced from <b>30 days to 10 days</b>. Further, recovery plan requirements have been relaxed.</p> <p>Applications are submitted by email, and vary by province and territory.</p> <p>You can access detailed instructions on how to apply, as well as the necessary form, <a href="#">online</a>.</p>

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<p><b>Farm Credit Canada</b></p>	<p>Farm Credit Canada is offering cash-flow flexibility options to <b>farmers</b> and <b>processors</b> to help them remain financially strong.</p>	<p>Support is offered through financing, management software, information and knowledge specifically designed for the agriculture and food industries.</p> <p>Clients are encouraged to contact an FCC relationship manager at 1 888 332 3301.</p> <p>For more information, <a href="#">click here</a>.</p>
<p><b>Waiving ground lease rents</b></p>	<p>The government is waiving ground lease rents from March 2020 through to December 2020 for the 21 airport authorities that pay rent to the federal government.</p> <p>The government is also providing comparable treatment for Ports Toronto, which operates Billy Bishop Toronto City Airport and pays a charge to the federal government.</p>	<p>For more information, <a href="#">click here</a>.</p>
<b>FUNDING AND LOANS</b>		
<p><b>Canada Emergency Business Account</b></p>	<p>One year interest-free loans of up to <b>\$40,000</b> to small businesses and nonprofits.</p> <p>Repaying the balance of the loan on or before Dec. 31, 2022, will result in loan <b>forgiveness of 25%</b>.</p> <p>To qualify, these organizations will need to demonstrate they paid between \$50,000 to \$1 million in total payroll in 2019.</p>	<p>This program will be implemented by eligible financial institutions in cooperation with Export Development Canada (EDC).</p> <p>Small businesses and nonprofits should <b>contact their financial institution</b> to apply for these loans.</p>

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<p><b>Loan guarantee for small and medium-size enterprises</b></p>	<p>New operating credit and cash-flow term loans of <b>up to \$6.25 million</b> to small and medium-size businesses.</p> <p>This program is administered through Export Development Canada and participating financial institutions.</p>	<p>This program will roll out in the three weeks after March 27.</p> <p>Interested businesses should work with their current financial institutions.</p>
<p><b>Co-lending program for small and medium-sized enterprises</b></p>	<p>Co-lending term loans to small and medium-size businesses of up to <b>\$6.5 million</b>.</p> <p>This program is administered through the Business Development Bank of Canada and participating financial institutions.</p>	<p>This program will roll out in the three weeks after March 27.</p> <p>Interested businesses should work with their current financial institutions.</p>
<p><b>Small business loans</b></p>	<p>Loans of <b>up to \$100,000</b> to buy equipment, software or for other business expenses.</p> <p>To be eligible, companies must be Canadian-based, have generated revenues for at least two years and have a good credit history.</p>	<p>This program is administered through the Business Development Bank of Canada (BDC).</p> <p>For more information on how to apply, <a href="#">click here</a>.</p>

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<p><b>Working capital loans</b></p>	<p>Loans of <b>more than \$100,000</b> for working capital, increasing inventory to meet demand, taking advantage of discounts offered by suppliers and supplementing a line of credit.</p> <p>Payments can be matched to cash flow patterns, and personal assets will not be taken as collateral for the loan.</p>	<p>This program is administered through the Business Development Bank of Canada (BDC).</p> <p>For more information on how to apply, <a href="#">click here.</a></p>
<p><b>Purchase Order Financing</b></p>	<p>Entrepreneurs can <b>cover up to 90% of the purchase order amount</b> associated with larger sales, maintain a line of credit or grow their business.</p> <p>This program offers shorter terms than a working capital loan, and interest-only payments with a balloon payment at loan maturity.</p>	<p>This program is administered through the Business Development Bank of Canada (BDC).</p> <p>For more information on how to apply, <a href="#">click here.</a></p>
<p><b>Lowering the domestic stability buffer</b></p>	<p>The Office of the Superintendent of Financial Institutions announced it is lowering the domestic stability buffer by 1.25% of risk-weighted assets.</p> <p>This action will allow Canada’s large banks to inject \$300 billion of additional lending in to the economy.</p>	<p>For more information, <a href="#">click here.</a></p>
<p><b>Insured Mortgage Purchase Program</b></p>	<p>The government launched an Insured Mortgage Purchase Program, in which it will purchase up to \$150 billion of insured mortgage pools through the Canada Mortgage and Housing Corporation.</p> <p>This action will provide long-term stable funding to banks and mortgage lenders, help facilitate continued lending to Canadian consumers and businesses, and add liquidity to Canada’s mortgage market.</p>	<p>For more information, <a href="#">click here.</a></p>

## Support for individuals

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<b>INCENTIVES</b>		
<p><b>Canada Emergency Response Benefit (CERB)</b></p>	<p>This taxable benefit provides <b>\$2,000 a month</b> for <b>up to four months</b> for workers, contractors, and self-employed individuals who lose their income as a result of the COVID-19 pandemic. It replaces the previously announced emergency care benefit and emergency support benefit.</p> <p>Eligible recipients include:</p> <ul style="list-style-type: none"> <li>• Workers who must stop working due to COVID19 and do not have access to paid leave or other income support</li> <li>• Workers who are sick, quarantined or taking care of someone who is sick with COVID-19</li> <li>• Working parents who must stay home without pay to care for children who are sick or need additional care because of school and daycare closures</li> <li>• 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</li> <li>• Wage earners and self-employed individuals, including contract workers, who would not otherwise be eligible for Employment Insurance.</li> </ul> <p>Canadians who are already receiving an Employment Insurance benefit, however, should not apply to the Canada Emergency Response Benefit.</p>	<p>The CERB will be accessible through a secure web portal, automated telephone line, or via a toll-free number.</p> <p>To apply for this benefit, the government is working to launch an on-line application tool that Minister of Finance Bill Morneau suggested be available on April 6, 2020. Following application, Canadians will receive payment within a 10-day period, with subsequent payments being made every four weeks for up to four months.</p> <p>For more information, <a href="#">click here.</a></p>

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<p><b>Employment Insurance (EI) benefits</b></p>	<p>Individuals could receive <b>55% of their earnings</b>, up to a maximum of \$573 a week.</p> <p>Employment insurance benefits are available to individuals who lose their jobs through no fault of their own (for example, due to shortage of work, seasonal or mass lay-offs) and are available for and able to work, but can't find a job, as well as individuals who cannot work for medical reasons.</p> <p>Eligible recipients of regular employment insurance benefits can receive the benefit for up to 45 weeks, while recipients of sickness Employment Insurance benefit can receive the benefit for up to 15 weeks.</p>	<p>For Canadians who do not have access to paid sick leave, are sick, quarantined or are forced to stay home to care for individuals, the government is waiving the one-week waiting period to claim employment insurance sickness benefits.</p> <p>Applications are accepted online.</p> <p>To apply for regular employment insurance benefits, <a href="#">click here</a>.</p> <p>To apply for sickness employment insurance benefits, <a href="#">click here</a>.</p>
<p><b>Goods and Services Tax Credit Enhancement</b></p>	<p>The government is proposing to provide a one-time special payment through the goods and services tax credit (GSTC).</p> <p>The average additional benefit will be close to <b>\$400</b> for single individuals and close to <b>\$600</b> for couples.</p>	<p>There is no need to apply for this benefit. Eligible families will receive payment automatically by early <b>May 2020</b>.</p> <p>For more information, <a href="#">click here</a>.</p>
<p><b>Canada Child Benefit (CCB)</b></p>	<p>For families with children who may also require additional support, the government is proposing to increase the maximum annual Canada Child Benefit (CCB) payment amounts for the 2019-2020 benefit year by <b>\$300 per child</b>.</p>	<p>This benefit will be delivered as part of the scheduled CBB payment in May.</p> <p>Those who already receive the Canada Child Benefit do not need to re-apply.</p> <p>For more information, <a href="#">click here</a>.</p>



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<p><b>Registered Retirement Income Fund (RRIF)</b></p>	<p>In recognition of volatile market conditions and their impact on many seniors’ retirement savings, the government is reducing the required minimum withdrawals from registered retirement income funds by 25% for 2020.</p> <p>This will provide flexibility to seniors who are concerned that they may be required to liquidate their RRIF assets to meet minimum withdrawal requirements.</p>	<p>Similar rules would apply to individuals receiving variable benefit payments under a defined contribution registered pension plan.</p> <p>For more information, <a href="#">click here.</a></p>
<p><b>Indigenous community support fund</b></p>	<p>The government is providing \$305 million for a new distinctions-based indigenous community support fund to address immediate needs in First Nations, Inuit, and Métis Nation communities.</p> <p>These new funds will flow directly to indigenous communities and groups across the country and will provide indigenous leadership with the flexibility needed as they prepare for and react to the spread of COVID-19.</p>	<p>For communities, the funding will flow as quickly as possible through existing agreements. For regional, urban and off-reserve indigenous organizations, application details will be announced soon.</p> <p>For more information, <a href="#">click here.</a></p>





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<b>FUNDING AND LOANS</b>		
<p><b>Canada student loans</b></p>	<p>For all individuals who are currently in the process of repaying Canada student loans, the government is placing a six-month interest-free moratorium on repayments until Sept. 30, 2020, with no accrual of interest, effective March 30, 2020.</p>	<p>No payment will be required and interest will not accrue during this time. Students do not need to apply for the repayment pause.</p> <p>For more information, <a href="#">click here.</a></p>
<p><b>Mortgage support</b></p>	<p>All customers who are currently in good standing and have been affected by COVID-19 can apply for mortgage relief from their bank.</p>	<p>Mortgage payments are skipped for a defined period of time, during which interest which would otherwise be part of the deferred payments is added to the outstanding balance of the mortgage.</p> <p>Instead of calling or visiting a branch, customers are requested to visit their bank's webpage.</p> <p>For more information, <a href="#">click here.</a></p>



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