

GOVERNMENT ASSISTANCE PROGRAMS FOR EMPLOYERS AND EMPLOYEES AFFECTED BY COVID-19

COVID-19 has deeply affected the Canadian economy in many ways. In response to the changing employment landscape, the federal government has introduced [new programs](#) to assist businesses and workers in these trying times. This is not a legal opinion, it is a general overview of both new and existing programs current as of **April 3, 2020**. The government has yet to release full details for many of the new programs. As such, the following information is subject to change and may become outdated as more information is released.

Stay informed, and call us with your questions.

Program	Details	Eligibility	Application	Conditions	Waiting Period
FOR EMPLOYEES					
Canada Emergency Response Benefit (CERB) NEW – Replaces the Emergency Care Benefit and the Emergency Support Benefit	<p>Provides income support of \$2,000 per month for people who are sick, quarantined, in self-isolation, laid off, dismissed or otherwise unable to work due to COVID-19 (for example, due to day care closures or shortage of work without lay off).</p> <p>Eligible applicants will receive \$500 per week for up to 16 weeks.</p> <p>You may still qualify for this benefit even if you do not qualify for EI.</p> <p>This benefit is available for the period from March 15, 2020 to October 3, 2020.</p>	<p>Criteria for employees:</p> <ul style="list-style-type: none"> Reside in Canada Be at least 15 years old Stopped working because of COVID-19 or are eligible for EI benefits Had income of at least \$5,000 in 2019 or in the 12 months prior to the date of their application Are or expect to be without employment or self-employment income for at least 14 consecutive days in the initial four-week period, and for subsequent benefit periods, they expect to have no employment income. 	<p>Applications open on April 6, 2020. The specific date on which you can apply depends on your month of birth. Check the CRA website for more details.</p> <p>To apply, call the CRA at 1 (800)-959-8281 or set up a “CRA My Account” online</p> <p>If you applied for EI regular or sickness benefits on March 15, 2020 or later, your claim will be automatically</p>	<p>You CANNOT collect CERB if you are already collecting the wage subsidy from your employer. One or the other.</p> <p>You cannot receive EI and CERB benefits for the same period.</p> <p>To continue receiving CERB you need to check in with CRA every month to confirm that you are still unemployed.</p>	<p>Benefits will start within 10 days of submitting an application.</p> <p>Payments will be received by either direct deposit or cheque.</p> <p>Payments by cheque should arrive within 10 days. Direct deposit should take 3-5 days.</p> <p>Payments will be retroactive to your eligibility date.</p>

	<p>This is a taxable benefit, but tax will not be deducted at source. You must report the benefit as income when you file your taxes for 2020.</p>	<p>You are NOT eligible if:</p> <ul style="list-style-type: none"> You are looking for a job but haven't stopped working because of COVID-19 You voluntarily left your employment 	<p>processed through the CERB.</p> <p>You do not need a medical certificate to apply.</p>		
<p>Employment Insurance Benefits</p> <p>Existing program</p>	<p>Income support for individuals who lose their jobs through no fault of their own (for example, due to shortage of work or lay-off) and are available for and able to work but can't find a job.</p> <p>The basic rate is 55% of your average insurable weekly earnings, up to a maximum amount. As of January 1, 2020, the maximum yearly insurable earnings amount is \$54,200. This means that you can receive a maximum amount of \$573 per week.</p> <p>You can receive EI from 14 weeks up to a maximum of 45 weeks, depending on the unemployment rate in your region at the time of filing your claim and the amount of insurable hours you have accumulated in the last 52 weeks or since your last claim, whichever is shorter.</p>	<p>Eligible claimants:</p> <ul style="list-style-type: none"> Were employed in insurable employment; Lost their job through no fault of their own; Have been without work and without pay for at least 7 consecutive days in the last 52 weeks Worked for the required number of insurable employment hours in the last 52 weeks or since the start of their last EI claim, whichever is shorter are ready, willing and able to work are actively looking for work (must keep a written record of employers contacted, including date of contact). <p>Ineligible claimants:</p> <ul style="list-style-type: none"> Resignation Dismissed for misconduct 	<p>Apply as soon as possible after you stop working, even if a Record of Employment is not yet available. You may lose benefits if you delay filing your claim for more than four weeks after your last day of work.</p> <p>You can apply online.</p>	<p>You must complete bi-weekly reports online or over the phone. Failure to do so may lead to loss of benefits.</p>	<p>There is a waiting period of 1 week.</p> <p>If you are entitled to receive EI benefits, you should receive your first payment within 28 days of the date your application and all required documents are received.</p>

	<p>EI benefits are taxable. Federal and provincial or territorial taxes, where applicable, will be deducted.</p>	<ul style="list-style-type: none"> • Unemployed because of participation in a labour dispute • On a leave that compensates for a period in which you worked under an agreement with your employer, more hours than are normally worked in full-time employment • Confined to a jail, penitentiary or other similar institution. 			
<p>Employment Insurance Sickness Benefits</p> <p>Existing program that has been modified in response to COVID-19</p>	<p>Income replacement for eligible applicants who are unable to work due to sickness</p> <p>You could receive 55% of your earnings up to a maximum of \$573 a week for 15 weeks.</p> <p>These benefits are taxable.</p>	<p>Eligible claimants:</p> <ul style="list-style-type: none"> • Unable to work due to illness, injury or quarantine • Paid EI premiums while employed. • Regular weekly earnings from work decreased by more than 40% for at least one week • Accumulated 600 insured hours of work in the 52 weeks before the start of your claim or since the start of your last claim—whichever is shorter 	<p>Apply online at as soon as possible after you stop working.</p> <p>If you cannot complete your claim for EI sickness benefits due to quarantine, you may apply later and have your EI claim backdated to cover the period of delay.</p> <p>The medical certificate requirement has been waived for COVID-19.</p>	<p>After you apply you will need to submit bi-weekly reports for as long as you receive benefits</p>	<p>The one week waiting period for EI sickness benefits has been waived for new claimants who are quarantined.</p>

FOR EMPLOYERS

<p>Canada Emergency Wage Subsidy (CEWS)</p> <p>NEW</p>	<p>A wage subsidy of 75% for qualifying businesses for the first \$58,700 normally earned by employees—a benefit of up to \$847 per week.</p> <p>Retroactive to March 15, 2020 to June 6, 2020.</p> <p>This subsidy would be considered government assistance and would be included in the employer’s taxable income.</p>	<p>Applies to eligible employers who suffer a drop in gross revenue of at least 30% in March, April or May 2020 when compared to the same months in 2019.</p> <p>Applies to employers of all sizes and across all sectors of the economy, EXCEPT public sector entities.</p> <p>Entitlement will be based on the salary or wages actually paid to employees.</p> <p>Employers are expected to do everything possible to top up salaries to 100% of the maximum wages covered.</p> <p>Organizations that do NOT qualify may continue to qualify for the previously announced wage subsidy of 10% remuneration paid from March 18 to before June 20.</p>	<p>Employers may apply through the CRA’s <i>My Business Account</i> portal.</p>	<p>Employers who receive this subsidy but are later determined to not meet the eligibility requirements will be required to repay amounts paid under this program and pay their employees accordingly. There may be penalties for fraudulent claims such as fines or even imprisonment.</p> <p>Employers cannot claim the subsidy for remuneration paid to an employee in a week that falls within a 4-week period for which the employee is eligible for the CERB. However, employers who are not eligible for the subsidy may still furlough employees who will receive up to \$2,000 a month.</p>	<p>This benefit will be available in 6 weeks and will last for up to 3 months.</p>
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<p><u>Work-Sharing Program</u></p> <p>Existing program that has been modified in response to COVID-19</p>	<p>This program is offered to workers who agree to reduce their normal working hours because of developments beyond their employers' control in order to avoid layoffs.</p> <p>The program provides EI benefits to eligible employees who agree to reduce their normal working hours and share the available work</p> <p>Employers who have already used this program can immediately enter into a new agreement.</p> <p>In response to COVID-19, the government has reduced the requirement and expanded eligibility to employers affected by accepting businesses who have been in business for only 1 year rather than 2. There is no longer a requirement to provide sales/production figures at the same time.</p>	<p>Criteria for employers:</p> <ul style="list-style-type: none"> • Be a year-round business in Canada for at least 1 year • Be a private business, a publicly held company or a not-for-profit organization. • Have at least 2 employees in the WS unit. <p>Criteria for Employees:</p> <ul style="list-style-type: none"> • Be year-round, permanent, full-time or part-time employees needed to carry out the day-to day functions of the business • Be eligible to receive EI benefits • Agree to reduce their normal working hours by the same percentage and to share the available work <p>Ineligible Employers: Business reduction is due to:</p> <ul style="list-style-type: none"> • A labour dispute • A seasonal shortage of work • A pre-existing and or recurring production slow down • The decrease in activity is due to a recent increase in the size of the workforce <p>Ineligible Employees:</p> <ul style="list-style-type: none"> • Seasonal 	<p>Available from March 15, 2020 to March 14, 2021.</p> <p>Employers must submit:</p> <ol style="list-style-type: none"> 1. Application for a Work-Sharing Agreement Form 2. Attachment A: Work-Sharing Unit Form <p>Applications must be submitted via email based on business location.</p> <p>The maximum duration of the work-sharing program is extended from 38 weeks to 76 weeks.</p>	<p>Over the course of the agreement, hours of work must be reduced by at least 10% to 60%.</p> <p>The agreement must 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.</p>	<p>The waiting period for this program is 10 days prior to requested start date. The program will last for 1 year.</p> <p>The mandatory cooling-off period has been waived.</p>
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		<ul style="list-style-type: none"> • Summer or co-op students • Casual, on-call, or hired through a temporary help agency • Employees who are needed to help generate work and/or who are essential to the recovery of the business, such as: <ul style="list-style-type: none"> ○ Senior Management ○ Executive-level marketing/sales agent ○ Outside sales representative ○ Technical employees engaged in product development • Employees who hold more than 40% of the voting shares in the business. 			
Business Credit Availability Program (BCAP) NEW	<p><i>Loan Guarantee for Small and Medium-Sized Enterprises</i> New operating credit and cash flow term loans of up to \$6.25 million.</p> <p><i>Co-Lending Program for Small and Medium-Sized Enterprises</i> Co-lend term loans for operational cash flow requirements. Eligible businesses may obtain incremental credit amounts up to \$6.25 million.</p>	<p>Eligible businesses must be impacted directly or indirectly by recent events and have been financially viable prior to the impact of COVID-19.</p>	<p>Contact your financial institution.</p> <p>This program will commence in the three weeks after March 27, 2020</p>		
Canada Emergency Business Account (CEBA) NEW	<p>Interest-free loans of up to \$40,000 for small businesses and not-for-profits to help cover operating costs during a period where revenues are temporarily reduced. If \$30,000 of the loan is fully repaid on or before December 31, 2022, 25% of the loan (\$10,000) is eligible for complete forgiveness. If the loan is not repaid by December 31, 2022, it can be extended for an additional 3-year term at an interest rate of 5% per annum. The loan can be prepaid at any time without penalty.</p>	<p>Businesses will need to demonstrate they paid between \$50,000 to \$1 million in total payroll in 2019.</p>	<p>Contact your financial institution to find out more information. This program will commence in the three weeks after March 27, 2020</p>		

[Supplementary
Unemployment
Benefits Plan
\(SUBP\)](#)

Existing Program

A plan established by an employer or group of participating employers to top up employees' EI benefits during a period of unemployment due to a temporary or indefinite layoff for:

- health-related benefits
- maternity, parental, compassionate care, family caregiver leave
- sickness, accident, or disability
- temporary stoppage of work
- training

The plan may be registered or unregistered. Registered plans offer certain advantages over unregistered plans. You may register the plan with:

1. [Service Canada](#), if the plan meets the requirements of article 37 of the EI Regulations
2. The [Minister of National Revenue \(CRA\)](#), if the plan satisfies the conditions for registration under section 145 of the *Income Tax Act*

You must deduct income tax from top-up amounts paid under a SUBP if the plan does not qualify as a SUBP under the *Income Tax Act* even if the plan is registered with Service Canada.