



Société de Saint-Vincent de Paul • Society of Saint Vincent de Paul
Conseil National du Canada • National Council of Canada

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April 6, 2020

COVID-19:

Governmental assistance, and understanding employment and unemployment programs

The federal government would prefer that employees remain employed, but this may not be possible. The following provides a summary of the federal government assistance available in the context of employment announced to date to help Canadians facing hardship as a result of the COVID-19 outbreak. Please see full details at the following site:

<https://www.canada.ca/en/department-finance/economic-response-plan.html#individuals>

Individual support

Under support to individuals, and more specifically support for people facing unemployment, there are two key programs:

- a) Canada Emergency Response Benefit (CERB)
- b) Employment Insurance (EI)

The Canada Emergency Response Benefit (CERB) provide a taxable benefit of \$2,000 a month for up to 4 months to eligible workers who have lost their income due to COVID-19. Application is open starting April 6, and accessible at:

<https://www.canada.ca/en/services/benefits/ei/cerb-application.html>

CERB Eligibility

The benefit will be available to workers:

- Residing in Canada, who are at least 15 years old;
- Who have stopped working because of COVID-19 and have not voluntarily quit their job;
- Who had income of at least \$5,000 in 2019 or in the 12 months prior to the date of their application; and
- Who are or expect to be without employment or self-employment income for at least 14 consecutive days in the initial four-week period. For subsequent benefit periods, they expect to have no employment income.



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The Benefit is only available to individuals who stopped work as a result of reasons related to COVID-19. If an individual is looking for a job but has stopped working because of COVID-19, this individual is not eligible for the Benefit.

The benefit is available from March 15, 2020, to October 3, 2020. An individual can apply no later than December 2, 2020.

For eligibility, an individual must have stopped working as a result of COVID-19, and be without employment income for at least 14 consecutive days within the initial four-week period. For subsequent periods, you expect to have no employment income.

More details available under the Questions & Answers section visible at the site

<https://www.canada.ca/en/services/benefits/ei/ceib-application/questions.html>

For the Employment Insurance (EI) Benefits, if an individual has lost employment through no fault of his/her own and qualify for Employment Insurance benefits, request should be submitted:

<https://www.canada.ca/en/services/benefits/ei/ei-regular-benefit/apply.html>

Employer support

Under the premise of avoiding layoffs, the federal government has introduced two key programs:

- a) Extending the Work-Sharing program
- b) The Canada Emergency Wage Subsidy

There is an extension to the maximum duration of the Work-Sharing program from 38 weeks to 76 weeks. The Work-Sharing program is offered to workers who agree to reduce their normal working hours because of developments beyond the control of their employers. Application is available at:

<https://www.canada.ca/en/employment-social-development/services/work-sharing/apply.html>



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The Canada Emergency Wage Subsidy amount for a given employee on eligible remuneration paid 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.

Employers of all sizes and across all sectors of the economy would be eligible with the exception of public sector entities. This program is designed to help employers hardest hit by the COVID-19 pandemic to keep and retain workers.

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 30 per cent of their revenue (see *Eligible Periods*). In applying for the subsidy, employers would be required to attest to the decline in revenue.

Eligible Periods

	Claiming period	Reference period for eligibility
Period 1	March 15 – April 11	March 2020 over March 2019
Period 2	April 12 – May 9	April 2020 over April 2019
Period 3	May 10 – June 6	May 2020 over May 2019

<https://www.canada.ca/en/department-finance/economic-response-plan/wage-subsidy.html>

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

<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>



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Which programs make sense for employees and employers between Employment Insurance (EI), the Canada Emergency Response Benefit (CERB), Work-Sharing program, and the Canada Emergency Wage Subsidy?

Considering the length of time physical distancing will be required, a time that is currently unknown, and that non-essential businesses remain close, are layoffs avoidable? The federal government would prefer that employees remain employed, but this may not be possible.

As well, in the decision-making factor for the employees, as an employer, please examine what benefits are provided to the employee, and if a layoff would have any impact, such as losing coverage. Please seek approval from the benefits provider to continue coverage for those employees who have been temporarily laid off.

Further clarification for employees on the government web page:

Interaction with the Canadian Emergency Response Benefit

An employer would not be eligible to claim the Canada Emergency Wage 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 Canadian Emergency Response Benefit.

Employers who are not eligible for the Canada Emergency Wage Subsidy would still be able to furlough employees who will receive up to \$2,000 a month.

For the employer:

Government Assistance

The usual treatment of tax credits and other benefits provided by the government would apply. As a consequence, the wage subsidy received by an employer would be considered government assistance and be included in the employer's taxable income.

Assistance received under either wage subsidy would reduce the amount of remuneration expenses eligible for other federal tax credits calculated on the same remuneration.



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As a general reference, please find key federal sites being updated on a regular basis:

Canada's COVID-19 Economic Response Plan

<https://www.canada.ca/en/department-finance/economic-response-plan.html>

Coronavirus disease (COVID-19): Canada's response

<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection/canadas-reponse.html>

CRA: Charities Directorate

<https://www.canada.ca/en/services/taxes/charities.html>

As part of government actions taken in dealing with the effects of the COVID-19 pandemic, the Charities Directorate is extending the filing deadline to December 31, 2020, for all charities with a Form T3010, Registered Charity Information Return due between March 18, 2020 and December 31, 2020. This will allow charities more time to complete and submit their T3010, recognizing that charities will be focused on deploying their resources to address the effects of the COVID-19 virus situation.