



## BC and Federal COVID-19 Economic Measures

Governments across Canada have announced measures to help alleviate the economic fallout from COVID-19 and its unprecedented impact on communities, individuals, families, businesses and industries.

While the majority of Canada’s economic measures have been announced as part of Canada’s COVID-19 Economic Response Plan (ERP),<sup>1</sup> additional measures have been introduced by provinces, municipalities and other entities. We have summarized some of these measures, as follows.

Highlights from BC and Federal COVID-19 Economic Measures		
Support for Individuals and Families	<b>People facing loss of income</b>	<ul style="list-style-type: none"> <li>• Canada Emergency Response Benefit (CERB)<sup>2</sup></li> <li>• Employment Insurance (EI), including improved access to sickness benefits<sup>2</sup></li> <li>• BC’s Emergency Benefit for Workers<sup>3</sup></li> </ul>
	<b>Individuals and families</b>	<ul style="list-style-type: none"> <li>• Temporary salary top-up for low-income essential workers<sup>1</sup></li> <li>• Extra time to file income tax returns and pay amounts owing<sup>4</sup></li> <li>• Increasing the Canada Child Benefit (CCB)<sup>1</sup></li> <li>• Special GST credit one-time payment<sup>1</sup></li> </ul>
	<b>Seniors</b>	<ul style="list-style-type: none"> <li>• Reduced minimum withdrawals from RRIFs<sup>5</sup></li> </ul>
	<b>Students</b>	<ul style="list-style-type: none"> <li>• Canada Emergency Student Benefit (CESB)<sup>6</sup></li> <li>• Canada Student Service Grant (CSSG) for volunteering<sup>1</sup></li> </ul>
	<b>Renters</b>	<ul style="list-style-type: none"> <li>• Suspension of evictions and rent increases during BC’s state of emergency<sup>3</sup></li> <li>• BC Temporary Rental Supplement (BC-TRS)<sup>7</sup></li> </ul>
	<b>Homeowners</b>	<ul style="list-style-type: none"> <li>• Bank mortgage payment deferral<sup>8</sup></li> <li>• BC property tax extensions and/or deferrals<sup>9</sup></li> </ul>
Support for Businesses	<b>Supporting self-employed individuals</b>	<ul style="list-style-type: none"> <li>• CERB<sup>2</sup></li> <li>• BC’s Emergency Benefit for Workers<sup>3</sup></li> <li>• EI special benefits for the self-employed<sup>10</sup></li> </ul>
	<b>Avoiding layoffs and rehiring employees</b>	<ul style="list-style-type: none"> <li>• Canada Business Wage Subsidy (up to 10%)<sup>11</sup></li> <li>• Canada Emergency Wage Subsidy (CEWS) (up to 75%)<sup>11</sup></li> <li>• Extending the Work-Sharing (WS) program<sup>12</sup></li> <li>• Temporary changes to Canada Summer Jobs program<sup>13</sup></li> </ul>
	<b>Reduced and deferred payments</b>	<ul style="list-style-type: none"> <li>• More time to pay income taxes<sup>4</sup></li> <li>• Deferral of federal Sales Tax Remittance and Customs Duty Payments<sup>1</sup></li> <li>• Deferral of BC filing and payment deadlines for certain provincial taxes<sup>14</sup></li> </ul>
	<b>Access to credit</b>	<ul style="list-style-type: none"> <li>• Establishing a Business Credit Availability Program<sup>15</sup></li> <li>• Canada Emergency Business Account<sup>16</sup></li> <li>• Canada Emergency Commercial Rent Assistance (CECRA)<sup>17</sup></li> </ul>
	<b>Supporting financial stability</b>	<ul style="list-style-type: none"> <li>• Launching an Insured Mortgage Purchase Program<sup>1</sup></li> </ul>



## Highlights for Individuals and Families

### Canada Emergency Response Benefit (CERB)<sup>2</sup>

CERB is a taxable temporary income support of \$500 per week for up to 16 weeks (March 15 until October 3, 2020) if you are eligible for or have exhausted your Employment Insurance (EI) regular or sickness benefits during the eligible period, or stopped working on or after March 15 for reasons related to COVID-19. Applicants must not have earned more than \$1,000 of employment or self-employment income (including tips, honoraria, royalties and non-eligible dividends) for at least 14 consecutive days in the initial four-week period, and applicants must have earned at least \$5,000 of employment or self-employment income in 2019 or in the 12 months before applying. For subsequent claims, the income limit applies to the entire four-week benefit period.

### Employment Insurance (EI) changes<sup>2</sup>

Your claim will be automatically processed through the CERB program if you become eligible for EI regular or sickness benefits after March 14. A medical certificate is also no longer required and the one-week waiting period is waived if you claim sickness benefits after March 14. If your EI benefits started before March 15 (including regular, maternity, parental, sickness or other benefits), you can apply for CERB once EI benefits end, if eligible. The EI Work-Sharing program<sup>4</sup> has also been made more flexible for employers and employees who reduce normal working hours to share available work.

### BC Emergency Benefit for Workers<sup>3</sup>

A non-taxable one-time \$1,000 amount can be paid to BC residents receiving EI or CERB because of COVID-19.

### More time to file and pay income taxes<sup>4</sup>

Please note the following tax deadlines falling in 2020 (which are not expected to be extended after 2020):

	Normal Deadline	Deadline Extension
<b>Filing 2019 Individual Tax Returns</b>	<ul style="list-style-type: none"> <li>• April 30</li> <li>• June 15 (self-employed)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>June 1, 2020</b></li> <li>• June 15, 2020</li> </ul>
<b>Filing 2019 Trust Tax Returns*</b>	<ul style="list-style-type: none"> <li>• March 31</li> </ul>	<ul style="list-style-type: none"> <li>• <b>May 1, 2020</b></li> </ul>
<b>Paying Income Tax Amounts Owing (All Taxpayers)</b>	<ul style="list-style-type: none"> <li>• 2019 taxes owing:               <ul style="list-style-type: none"> <li>○ April 30 (individuals)</li> <li>○ March 31 (trusts)</li> </ul> </li> <li>• 2020 Installments:               <ul style="list-style-type: none"> <li>○ March 15</li> <li>○ June 15</li> <li>○ September 15</li> <li>○ December 15</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 2019 taxes owing:               <ul style="list-style-type: none"> <li>○ <b>September 1, 2020</b></li> </ul> </li> <li>• 2020 Installments:               <ul style="list-style-type: none"> <li>○ March 15</li> <li>○ <b>September 1</b></li> <li>○ September 15</li> <li>○ December 15</li> </ul> </li> </ul>
<b>Paying Corporate Taxes</b>	<ul style="list-style-type: none"> <li>• Taxes due before March 18, 2020: no extension.</li> </ul>	<ul style="list-style-type: none"> <li>• Taxes due on or after March 18, 2020: <b>September 1, 2020.</b></li> </ul>

\*For trusts with a taxation year ending on December 31, 2019.

### Reduced 2020 Registered Retirement Income Fund (RRIF) minimum withdrawals<sup>5</sup>

The required minimum RRIF withdrawal will be reduced by 25% in 2020 to provide flexibility to seniors who are concerned about volatile market conditions when liquidating RRIF assets to meet minimum withdrawal requirements.



The reduction is optional, and any excess amounts withdrawn may not be recontributed. Similar rules will apply to individuals receiving variable benefit payments under a defined contribution Registered Pension Plan.

### **Canada Emergency Student Benefit (CESB)<sup>6</sup>**

CESB will provide a monthly benefit of \$1,250 from May through August 2020 to eligible post-secondary students (\$1,750 if they have a dependent or permanent disability). Similar to CERB, students may also earn up to \$1,000 per month from work.

### **Suspension of evictions and rent increases during BC's state of emergency<sup>3</sup>**

BC's Residential Tenancy Act was amended<sup>18</sup> during the provincial state of emergency; in most cases, a landlord cannot end a tenancy due to late rent, but tenants who fall behind could face eviction when the state of emergency ends. While landlords can give notice of a rent increase during the state of emergency, it will not take effect until the state of emergency ends.

### **BC Temporary Rental Supplement (BC-TRS)<sup>7</sup>**

Eligible renters experiencing financial hardship due to COVID-19 can apply to BC Housing for a rent supplement of either \$300 or \$500 per month, for up to three months, paid directly to the landlord. Renters should apply in April to be covered for April, May and June. The tenant is responsible for paying the difference between the benefit and their rent.

### **Bank mortgage relief<sup>8</sup>**

Bank customers currently in good standing and impacted by COVID-19 can apply for mortgage relief from their bank to skip payments for a defined period of time. Interest on deferred payments is added to the mortgage balance, so future payments will increase when payments resume or the mortgage term is renewed. Lenders, including non-banks, may offer other mortgage, loan or credit card relief. Check with your financial institution(s) for details.

### **Property tax deferral<sup>9</sup> or extensions**

BC offers two property tax deferral programs to eligible homeowners: the regular program charges a simple (not compound) interest rate of 1.95%; the families with children program offers a rate of 3.95% (rates effective until September 30, 2020).

While the normal BC deadlines to apply for property tax deferrals and/or homeowner grants are on July 2, your local property tax authority may offer to extend payment deadlines for property taxes, water, sewer or other services. Check your local tax authority's website for details.

## **Highlights for Businesses**

### **Wage subsidy programs**

A business wage subsidy of up to 10% of an employee's wages (from March 18 to June 19, 2020), up to a maximum of \$1,375 per employee and \$25,000 per employer, is available to eligible employers (certain individuals, partnerships, non-profits, registered charities and Canadian-controlled private corporations). The subsidy reduces income tax withheld on employees' remuneration, but not EI or Canada Pension Plan (CPP) remittances.

Canada Emergency Wage Subsidy (CEWS)<sup>11</sup> is a separate 12-week program from March 15 to June 6, 2020, to support employers of all sizes across all sectors; it can cover 75% of an employee's wages, up to \$847 per week. Qualifying employers must have suffered a drop in gross revenues (at least 15% in March; 30% in April and May 2020); however, employers eligible in one period will automatically qualify in a subsequent period. Non-arm's-length employees may



qualify. A CEWS-eligible employer can also receive a 100% refund of certain employer contributions to EI and CPP with respect to employees on leave with pay.

### **Canada Summer Jobs program<sup>13</sup>**

Private and public sector employers can receive increased wage subsidies of up to 100% of the minimum hourly wage, with flexibility to hire part-time staff, adapt projects and job activities, and extend employment to February 28, 2021.

### **Deferred BC tax payments<sup>14</sup>**

BC has extended filing and payment deadlines for the following taxes until September 30, 2020:

- Employer health tax
- Logging tax
- Sales taxes – includes PST (including municipal and regional district tax), carbon tax, motor fuel tax and tobacco tax

### **Establishing a Business Credit Availability Program (BCAP)<sup>15</sup>**

The BCAP is offering \$40 billion of additional support for small and medium-sized enterprises through the Business Development Bank of Canada (BDC) and Export Development Canada (EDC). Both programs support term loans of up to \$6.25 million through financial institutions. While BDC offers co-lending, EDC offers loan guarantees.

### **Canada Emergency Business Account (CEBA)<sup>16</sup>**

The new CEBA was rolled out with financial institutions to provide interest-free loans of up to \$40,000 to small businesses and not-for-profits to help cover their operating costs during a period where their revenues have been temporarily reduced. To qualify, organizations need to have paid between \$20,000 and \$1.5 million in total payroll in 2019.

### **Canada Emergency Commercial Rent Assistance (CECRA)<sup>17</sup>**

The CECRA program to be offered in mid-May will utilize forgivable loans to commercial property owners to cover 50% of April, May and June rent payable by an eligible small business tenant (including non-profits and charities). The tenant must pay less than \$50,000 per month in rent and temporarily cease operations or experience at least a 70% drop in revenues from the period prior to COVID-19.

The loans will be forgiven if the mortgaged property owner agrees to reduce the small business tenants' rent by at least 75% under a rent forgiveness agreement, which will include a term not to evict the tenant while the agreement is in place. The small business tenant would cover the remainder, up to 25% of the rent.

### **More time to pay taxes<sup>4</sup>**

In addition to the deadline extensions for federal taxes in the table above, BC has extended filing and payment deadlines until September 30, 2020, for employer health tax returns and sales tax (including provincial sales tax, carbon tax, motor fuel tax and tobacco tax).

## **Other Tax and Economic Relief Measures**

### **Canada Training Credit<sup>19</sup>**

Taxpayers age 25 to 65 who are Canadian residents throughout the taxation year and earn \$10,000 to \$147,667 (as of 2019) through employment or self-employment can accumulate amounts available as a refundable tax credit for training or education costs. The maximum available claim for 2020 is \$250.



### Help with monthly bills in BC

BC Hydro customers can apply for a bill credit<sup>20</sup> valued at three times their average monthly bill if they or their partner stopped working due to COVID-19. Fortis BC offers an interest-free payment deferral<sup>21</sup> for bills from April 1 to June 30, 2020, and the ability for small business owners to receive a bill credit for months while they were forced to close due to COVID-19. ICBC customers<sup>22</sup> can defer their monthly payment plans up to 90 days without penalty and may receive other fee waivers or relief.

### Rent banks

Rent banks offer support to low-income people in temporary financial crisis. For example, Vancouver Rent Bank<sup>23</sup> offers one-time interest-free loans, advocacy and referral services; search 'rent bank' online for other areas.

This article was last updated on April 30, 2020. Since programs and measures to respond to the economic hardships related to COVID-19 continue to evolve, we encourage you to view the sources footnoted below for updates and speak with your Odlum Brown Investment Advisor or Portfolio Manager.

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1 [canada.ca/en/department-finance/economic-response-plan.html](https://canada.ca/en/department-finance/economic-response-plan.html)

2 [canada.ca/en/services/benefits/ei/ceib-application/questions.html](https://canada.ca/en/services/benefits/ei/ceib-application/questions.html)

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7 [bchousing.org/BCTRS](https://bchousing.org/BCTRS)

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10 [canada.ca/en/services/benefits/ei/ei-self-employed-workers.html](https://canada.ca/en/services/benefits/ei/ei-self-employed-workers.html)

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13 [canada.ca/en/employment-social-development/services/funding/canada-summer-jobs.html](https://canada.ca/en/employment-social-development/services/funding/canada-summer-jobs.html)

14 [gov.bc.ca/gov/content/taxes/tax-changes/covid-19-tax-changes](https://gov.bc.ca/gov/content/taxes/tax-changes/covid-19-tax-changes)

15 [canada.ca/en/department-finance/programs/financial-sector-policy/business-credit-availability-program.html](https://canada.ca/en/department-finance/programs/financial-sector-policy/business-credit-availability-program.html)

16 [ceba-cuec.ca/](https://ceba-cuec.ca/)

17 [cmhc-schl.gc.ca/en/finance-and-investing/covid19-cecra-small-business](https://cmhc-schl.gc.ca/en/finance-and-investing/covid19-cecra-small-business)

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