

## MEMO

### March 26th, 2020 – Federal Government Economic Support Announcement for Employers/Employers

#### FEDERAL UPDATE

We will provide details on each of these measures as they become available. **The main items that will be of benefit are:**

- 1) Ottawa is creating an emergency support benefit for self-employed, contract, and part-time workers who would not previously qualify for EI to flow money. The new Emergency Care Benefit is now up to \$2000/month up to 16 weeks and will be managed by Revenue Canada. **The date for an intake website is by April 6th and money flowing within 10 days from an application.**

Further details linked here: <https://www.canada.ca/en/department-finance/news/2020/03/introduces-canada-emergency-response-benefit-to-help-workers-and-businesses.html>

- 2) Small-business owners/Employers are eligible to receive a temporary wage subsidy from Ottawa that will be equal to 10 percent of salary paid to employees for a period of three months if they are able to maintain payroll. This subsidy is reduced from your income tax remittance effective immediately. The tool to calculate is here:

<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html#h3>

- 3) Tax filings will be delayed until June 1 and can defer any payments until after August 31st.
- 4) There will be a \$10 billion business liquidity loan fund established to support cash flow needs to help employers.

#### Ensuring Employers Have Access to Credit

The [Business Credit Availability Program \(BCAP\)](#) will allow the Business Development Bank of Canada (BDC) and Export Development Canada (EDC) to provide more than \$10 billion of additional support, largely targeted to small and medium-sized businesses. This will be an effective tool for helping viable Canadian businesses remain resilient during these very uncertain times. BDC and EDC are cooperating with private sector lenders to coordinate on credit solutions for individual businesses, including in sectors such as oil and gas, air transportation and tourism

The Bank of Canada also took a series of actions to support the Canadian economy during this period of economic stress, enhance the resilience of the Canadian financial system, and help ensure that financial institutions can continue to extend credit to both households and businesses. This included cutting the interest rate to 0.75% as a proactive measure in light of the negative shocks to Canada's economy arising from the COVID-19 pandemic and the recent sharp drop in oil prices.

**Businesses seeking support through BCAP should contact the financial institutions with whom they have a pre-existing relationship, so that the financial institutions may assess the client's financial request.** If the needs of the client exceed the level of support the financial institution is able to provide, the financial institution will work alongside BDC or EDC to access additional resources the Government has made available under BCAP.