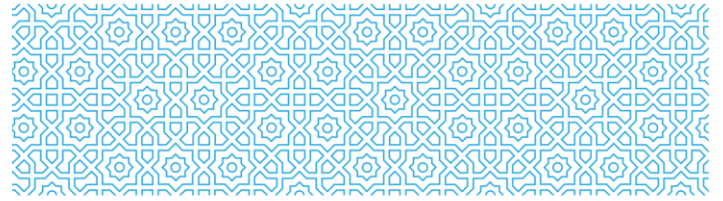




Economic Planning Board
Canada



**AGA KHAN ECONOMIC PLANNING BOARD FOR CANADA (AKEPBC)
COVID-19 RESPONSE
Federal and Provincial Government and Banking Sector Support Programs**

Current as of March 27, 3pm

For the latest information regarding the economic impact of COVID-19 and related support resources, please refer to <https://iicanada.org/epb>

As the COVID-19 outbreak spreads, many Jamati members have expressed concerns regarding businesses, investments, employment, and overall financial outlook. Weakening global demand, combined with already weakening oil prices, has and will continue to significantly impact many business owners and employees. The result is an economic slowdown in Canada and elsewhere, with the possibility of a recession in the second and third quarters.

Fortunately, the Government of Canada and various provincial and municipal governments have provided support programs that aim to support all segments of society including small businesses, employees, families, and the most vulnerable.

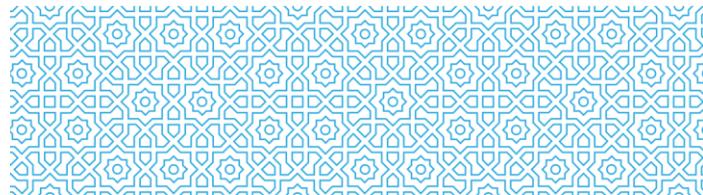
The information below provides a high-level summary of the support and initiatives that have been announced to date by all levels of government in Canada and further links to key sources. As the information on these resources is changing frequently, please refer to the federal government website, your individual provincial and municipal government websites, and to this document which will be updated as soon as possible when further programs are announced.

INSTITUTIONAL SUPPORT

Phone: 1-888-536-3599

Email: access@iicanada.net





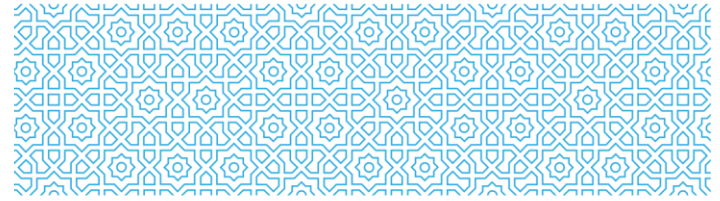
FEDERAL GOVERNMENT SUPPORT

RESOURCES	DESCRIPTION	WEBPAGE
Canada's COVID-19 Economic Response Plan	On March 18, 2020, the Government of Canada announced their COVID-19 Economic Response Plan, which will provide up to \$27 billion in direct support to Canadian workers and businesses	Summary Link Further Details
COVID-19 - Employment and Social Development Canada	With the closing of in-person Service Canada Centres, please view the following link on how you can access various federal services.	Summary Link

SMALL BUSINESS SUPPORT

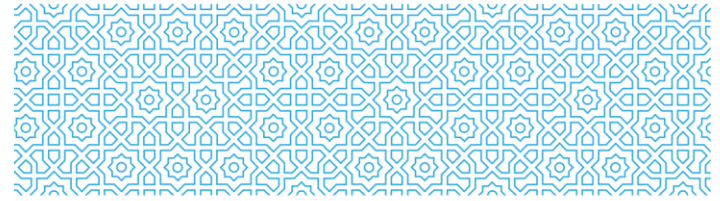
Category	Description
Payroll Tax Reductions	On March 27, the Federal Government announced that the Federal wage subsidy for small and medium sized businesses is increasing to 75% from the original 10%. The wage subsidy will be backdated to March 15. More details are to be released on Monday.
Delay in Tax Filing and Payments	The CRA will allow all businesses to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after March 18, 2020 and before September 2020. No interest or penalties will accumulate on these amounts during this period.
Delay in Tax Audits	The Canada Revenue Agency will not contact any SME to initiate any post assessment GST/HST or Income Tax audits for the next four weeks.
Direct Financial Support	Creation of the Canada Account, administered by Export Development Canada (EDC), to provide additional support to Canadian companies through loans, guarantees or insurance policies
Extending the Work-Sharing Program	<p>The Work-Sharing program has been extended 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. Workshare provides employers the opportunity to reduce actual workdays, thus reducing wage costs, without having to undergo temporary layoffs of their workforce. Employees do not go onto EI, rather, they continue to work as normal and have their lost income supplemented by Service Canada.</p> <p>Employer Eligibility: In order to be eligible to submit a workshare application the employer must;</p> <ul style="list-style-type: none"> • Have been in year-round business in Canada for at least two years • Demonstrate that the slowdown is beyond their control <p>Employee Eligibility:</p>





	<p>Employees are only eligible for the work-sharing program if;</p> <ul style="list-style-type: none">• They are “core” employees (year round / full-time / permanent)• Are eligible to receive EI benefits• Agree to a reduction in their working hours in order to share remaining available work• Do not have a 40%+ controlling stake in the organization• Are not essential to the recovery of the business (sales/management)
Loans for Businesses	<p>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 in additional support, largely targeted to small and medium-sized businesses. More information can be found here.</p>
Canada Emergency Business Account	<p>The Federal Government will be offering a new Canada Emergency Business Account which will provide loans of up to \$40,000 to small and medium-sized businesses that will be interest-free for one year.</p>
ALBERTA	
WCB Premium Payment Deferral	<p>For small and medium businesses, the government will cover 50% of the 2020 premium when it is due in 2021 – saving businesses \$350 million. Employers who have already paid WCB premiums in 2020 are eligible for a rebate or credit.</p>
ONTARIO	
Financial Relief	<p>The Ontario Government is enabling \$1.9 billion in relief for employers to reduce the financial strain on business brought on by COVID-19. The measure, which will run through the Workplace Safety and Insurance Board (WSIB), will see premium payments deferred for six months for all businesses in the province. More information can be found here.</p>

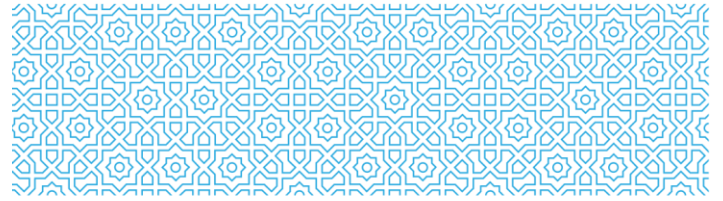




EMPLOYMENT SUPPORT

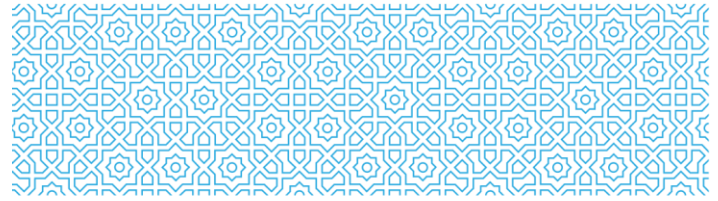
Category	Description
Deferred tax filing	<p>CRA will defer the filing due date for the 2019 tax returns of individuals to June 1.</p> <p>CRA will allow any new income tax balances due, or installments, to be deferred until after August 31 without incurring interest or penalties.</p>
Flexible mortgages and loans: Flexible mortgages and loans	<p>Banks in Canada have affirmed their commitment to working with customers to provide flexible solutions, on a case-by-case basis, for managing through hardship.</p> <p>CMHC to offer payment deferral, loan re-amortization, capitalization of outstanding interest arrears and other eligible expenses, and special payment arrangements.</p>
Improved Access to Employment Insurance	<p>For Canadians without paid sick leave (or similar workplace accommodations) who are sick, quarantined or forced to stay home to care for children, the following will be provided:</p> <ul style="list-style-type: none"> • The government is waiving the one-week waiting period for those individuals in imposed quarantine that claim Employment Insurance (EI) sickness benefits. • The government is waiving the requirement to provide a medical certificate to access EI sickness benefits. • This temporary measure came into effect as of March 15th.
Canada Emergency Response Benefit	<p>The government has proposed legislation to establish the Canada Emergency Response Benefit (CERB). This taxable benefit would provide \$2,000 a month for up to four months for workers who lose their income as a result of the COVID-19 pandemic. The CERB would be a simpler and more accessible combination of the previously announced Emergency Care Benefit and Emergency Support Benefit.</p> <p>The CERB will cover the following individuals:</p> <ul style="list-style-type: none"> • Canadians who have lost their job, are sick, quarantined, or taking care of someone who is sick with COVID-19, as well as working parents who must stay home without pay to care for children who are sick or at home because of school and daycare closures. The CERB would apply to wage earners, as well as contract workers and self-employed individuals who would not otherwise be eligible for Employment Insurance (EI). • Workers who are still employed, but are not receiving income because of disruptions to their work situation due to COVID-19, would also qualify for the CERB. • Canadians who are already receiving EI regular and sickness benefits as of today would continue to receive their benefits and should not apply to the CERB. If their EI benefits end before October 3, they could apply for the CERB once their EI benefits cease, if they are unable to return to work due to COVID-19.





	<p>Canadians can apply to CERB once an online portal is available in <u>early April</u>. Individuals would begin to receive their CERB payments within 10 days of applying. The CERB would be paid every four weeks and be available until October 3.</p> <p>More information can be found here.</p>
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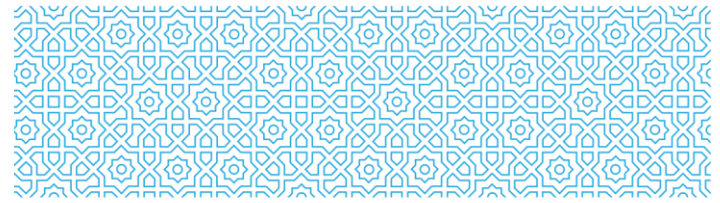




BANKING SECTOR SUPPORT

RESOURCES	DESCRIPTION	WEBPAGE
Press Release	<p>March 17: Canada's six largest banks announced immediate plans to provide financial relief to Canadians impacted by the economic consequences of COVID-19.</p> <ul style="list-style-type: none">• On a case-by-case basis, providing flexible solutions to help them manage challenges such as pay disruption due to COVID-19; childcare disruption due to school closures; or those facing illness from COVID-19.• This support will include up to a six-month payment deferral for mortgages, and the opportunity for relief on other credit products. <p>Jamati members are encouraged to contact their bank directly to discuss options that could be available to them</p>	Link
Lowering the Domestic Stability Buffer	<p>The Office of the Superintendent of Financial Institutions announced it is lowering the Domestic Stability Buffer by 1.25% of risk-weighted assets. This action will allow Canada's large banks to inject \$300 billion of additional lending into the economy.</p>	

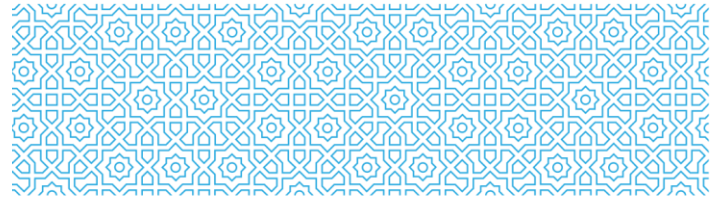




INDIVIDUAL, FAMILY, AND STUDENT SUPPORT

Category	Description
Canada Child Benefits	<p>A temporary boost to Canada Child Benefit payments, delivering about \$2 billion in extra support through an increase the maximum annual Canada Child Benefit (CCB) payment amounts, only for the 2019-20 benefit year, by \$300 per child.</p> <p>The overall increase for families receiving CCB will be approximately \$550 on average; these families will receive an extra \$300 per child as part of their May payment.</p>
Student Loans	A six-month, interest-free reprieve on student loan payments.
Mortgages	<p>Canada Mortgage and Housing Corporation (CMHC) and other mortgage insurers are offering support including payment deferral, loan re-amortization, capitalization of outstanding interest arrears and other eligible expenses, and special payment arrangements.</p> <p>The Government, through CMHC, is providing increased flexibility for homeowners facing financial difficulties to defer mortgage payments on homeowner CMHC-insured mortgage loans. CMHC will permit lenders to allow payment deferral beginning immediately.</p>
Taxes	<p>For individuals (other than trusts), the return filing due date will be deferred until June 1.</p> <p>*Note: Individuals who expect to receive benefits under the GSTC or the Canada Child Benefit <u>should not delay</u> the filing of their return to ensure their entitlements for the 2020-21 benefit year are properly determined.</p> <p>Allowing taxpayers to defer, until after August 31, tax payments that are due after today and before September.</p>
Trusts	For trusts having a taxation year ending on December 31, 2019, the return filing due date will be deferred until May 1, 2020.
RRSPs	Reducing required minimum withdrawals from Registered Retirement Income Funds (RRIFs) by 25% for 2020, in recognition of volatile market conditions and their impact on many seniors' retirement savings. This will provide flexibility to seniors that are concerned that they may be required to liquidate their RRIF assets to meet minimum withdrawal requirements. Similar rules would apply to individuals receiving variable benefit payments under a defined contribution Registered Pension Plan.
ALBERTA	
Emergency Isolation Support Payment	Eligible working Albertans can receive a one-time emergency isolation support payment of \$1,146 if they are required to self-isolate or are the sole caregiver of someone in self-isolation and they have no other source of pay or compensation.





	<p>You are eligible for the emergency isolation support program if you:</p> <ul style="list-style-type: none"> • have been diagnosed with COVID-19 • have been directed by health authorities to self-isolate • are the sole caregiver of a dependent who is in self-isolation
BRITISH COLUMBIA	
Rent and Landlords	<p>The Province is introducing a new temporary rental supplement, halting evictions and freezing rents, among other actions.</p> <p>The new rental supplement will help households by offering up to \$500 a month towards their rent, building on federal and provincial supports already announced for British Columbians facing financial hardship.</p> <p>More information can be found here.</p>

HIGH PRIORITY SUPPORT

SUMMARY OF INITIATIVES	
Category	Description
Homeless Care	Doubling the homeless care program with funding to be used for a range of needs such as purchasing beds and physical barriers for social distancing and securing accommodation to reduce overcrowding in shelters.
GST Credit	<p>Low and modest-income families to receive a one-time special payment by early May 2020 through the Goods and Services Tax credit (GSTC).</p> <p>The average boost to income for those benefitting from this measure will be close to \$400 for single individuals and close to \$600 for couples. This measure will inject \$5.5 billion into the economy.</p>
Women's Shelters and Sexual Assault Centers	The government is providing up to \$50 million to women's shelters and sexual assault centers to help with their capacity to manage or prevent an outbreak in their facilities.

PLEASE NOTE

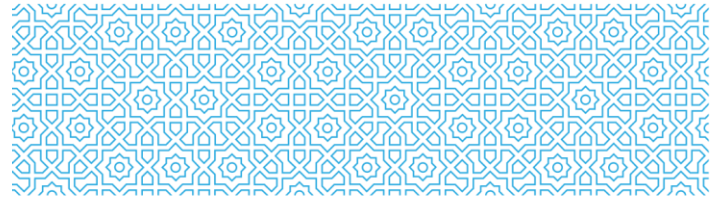
The Aga Khan Economic Planning Board aims to capture information related to the economic impacts of COVID-19, as it applies to small businesses and employees, as well as to individuals and families. Best efforts are being made to ensure that timely and relevant information is made available on a daily basis.

The information above is provided as general information only and is not meant as legal or other professional advice. If you require specific legal advice on any issue, please consult a lawyer or an appropriate professional. The timelines or accuracy of the





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