

October 9, 2020 – Updates on Government Relief Initiatives

Introduction of three new benefit programs:

On October 2, 2020, Bill C-4 was passed. It enacts the Canada Recovery Benefit (CRB), the Canada Recovery Caregiving Benefit (CRCB), and the Canada Recovery Sickness Benefit (CRSB). These programs are to replace the outgoing CERB program, which ended on October 3, 2020. Those who do not qualify for EI will now have three new programs to consider:

Canada Recovery Benefit (CRB):

- Applications open on October 12, 2020
- Applicants must not be working due to COVID-19 (not voluntary), or have had a 50% reduction of average weekly income due to COVID-19 compared to last year
- \$1,000 benefit for every 2-week period (\$900 after taxes withheld)
- Apply for every 2-week period, up to 13 eligibility periods (i.e. 26 weeks) between September 27, 2020 and September 25, 2021
- Applicants must be available and seeking work

Canada Recovery Caregiving Benefit (CRCB):

- Application is currently open
- Applicants unable to work at least 50% of your scheduled work week because you are caring for a child under 12 years old or a family member who needs supervised care because their school or care facility is closed or unavailable due to COVID-19, or a family member who is self-isolating, showing symptoms or is sick with COVID-19, or has been advised by a medical professional they are at risk for serious complications if they get COVID-19
- \$500 benefit for every week (\$450 after taxes withheld)
- Each household may receive payments for a maximum of 26 weeks between September 27, 2020 and September 25, 2021

Canada Recovery Sickness Benefit (CRSB):

- Application is currently open
- Applicants must be employed or self-employed the day before the claim period application begins
- Applicants must be unable to work at least 50% of your scheduled work week because you are ill or must self-isolate due to COVID-19
- \$500 (\$450 after taxes withheld) per week for up to 2 weeks between September 27, 2020 and September 25, 2021

You cannot receive more than one of these three new programs simultaneously, you also must not have received short-term disability benefits, worker's compensation benefits, EI, or QPIP benefits while claiming one of these new benefits. Common criteria for all three new programs:

- At least 15 years old
- You have earned at least \$5,000 in 2019, 2020, or in the past 12 months from employment or self-employment (net of expenses), includes maternity leave benefit
- You are not on paid leave from your employer

Speech from the Throne – Key Summary:

- First-Time Home Buyer Incentive will be enhanced
- Free, automatic tax filing for simple personal tax returns to be developed
- Creation of a new Canadian Disability Benefit modelled after the Guaranteed Income Supplement for seniors

Expanded Support from the Government for Businesses:

On October 9, the Government had announced expanded COVID-19 support related to CEWS, CEBA, and a new rent support program Canada Emergency Rent Support (CERS).

Canada Emergency Wage Subsidy (CEWS):

- The program will be extended until June 2021.
- Holding the current (Period 8) subsidy rate of up to a maximum of 65% of eligible wages until December 19, 2020. Previous maximum was set at 45% for Period 9.

Canada Emergency Business Account (CEBA):

- An additional interest-free loan of up to \$20,000 will be available (in addition to the original CEBA loan of \$40,000). Half of this additional financing would be forgivable if repaid by December 31, 2022. We will provide further details as they become available.
- Extension of application deadline to December 31, 2020

Canada Emergency Rent Support (CERS):

- Unlike the previous rent subsidy program, this one is provided directly to tenants.
- The new rent subsidy would support businesses, charities, and non-profits that have suffered a revenue drop, by subsidizing a percentage of their expenses on a sliding scale, up to a maximum of 65 per cent of eligible expenses until December 19, 2020.
- Organizations would be able to make claims retroactively for the period that began September 27 and ends October 24, 2020.
- A top-up subsidy of 25 per cent for organizations temporarily shut down by a mandatory public health order issued by a qualifying public health authority.

New T4 reporting requirements:

For the calendar year 2020, new reporting codes will be added to the T4 filing to assist CRA in validating subsidy payments:

- Code 57: Employment income between March 15 to May 9
- Code 58: Employment income between May 10 to July 4
- Code 59: Employment income between July 5 to August 29
- Code 60: Employment income between August 30 to September 26

Review and audit of CEWS claims:

The CRA has resumed their audit, compliance, and collection activities, this includes reviews of CEWS claims. In some cases, an extensive list of information has been requested from the taxpayer. Please contact our office if you have received a review letter from CRA.

If your claim has been partially or fully denied before September 21, you may register a dispute request online via CRA My Business Account. This must be done within 30 days from the date of the CRA letter that communicated the CRA's original decision.

If your claim has been partially or fully denied on or after September 21, you will need to file a notice of objection within 90 days from the issuance date of the CRA Notice of Determination or Notice of Assessment.