

Government Assistance Measures Businesses

Table of Contents

Page 02: Emergency wage subsidy (up to 75%)

Page 03: Employment insurance program

Page 04: Concerted Action Program for Maintaining Employment

Page 05: Income tax returns

Page 06: Loan guarantee for SMEs

Page 07: Instalment payments

Page 08: Mortgages

Page 09: Commercial rents

Page 10: Property taxes

Page 11: Local investment funds

Page 12: Farmers, food processing and fishing

Page 13: Household expenses

Page 14: Loans and credit cards

Page 15: Programs for ineligible businesses



Updated: May 14, 2020

Emergency wage subsidy (up to 75%)



Employment programs for businesses (federal measure)

This grant is retroactive to March 15, 2020, and will be paid for three (3) months.

All businesses that have lost 15% or more of their income in March and 30% or more in April and May are eligible for this grant.

Employers must show that they have lost 15% or more (for March) or 30% or more (for April and May) of their income for the eligibility period compared to 2019.

The federal government will pay 75% of employees' wages and the employer will pay 25%

- ✓ Applies to the first \$58,900 in wages
- ✓ Maximum of \$847 per week
- ✓ Applies to earnings
- ✓ Not applicable to dividends
- ✓ Applicable for all workers, including business owners on the condition that they are earning an income and not dividends

Eligible:

- ✓ Sole proprietorships
- ✓ Operating businesses which pay taxes, regardless of the number of employees
- ✓ Not-for-profit organizations
- ✓ Community organizations and charities

Ineligible:

- ✓ Managing agencies
- ✓ Trusts

Quebec measures for businesses:

The credit of the contribution to the FSS (Health Services Fund). This credit is only applicable for employees on paid leave.

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

Employment insurance program



Employment insurance work-sharing program (federal measure)

For whom is this measure intended?

This measure is intended to support SMEs, public corporations and not-for-profit organizations that have been in operation for at least two (2) years.

What is the objective of the program?

To make up a portion of the wages of employees working for companies whose earnings have dropped by 10% to 50% and allow companies to keep their employees in an economic slowdown and avoid lay-offs. New softening and program qualification rules will be announced in April 2020.

What employees are eligible?

- ✓ Core personnel
- ✓ Must be eligible for employment insurance
- ✓ Must agree to a reduction in hours

What are the requirements?

The employer and employees must meet various administrative requirements, including the drafting of a work-sharing agreement between the employer and affected employees.

What is the duration of the program?

From six (6) weeks to 76 weeks (38 weeks before the COVID-19 measures).

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

Concerted Action Program for Maintaining Employment



Concerted Action Program for Maintaining Employment (PACME) (provincial measure)

Objective of the program:

Investing in worker training to retain workers and help businesses get back on their feet.

Who is eligible:

Businesses, workers and/or self-employed workers can qualify under two components:

1. Businesses – Apply with a business advisor in your region.
2. Group promoters – via partenaires@mtess.gouv.qc.ca
Includes groups and associations or businesses with common objectives. Various training programs qualify for the PACME.

Eligible expenses:

- ✓ Workers' wages up to \$25/hour
- ✓ Consulting fees up to \$150/hour
- ✓ Training and teaching materials (development, adaptation, purchase)

Federal money available:

- ✓ Budget of \$100,000,000 until it is used up
- ✓ 100% of expenses under \$100,000
- ✓ 50% of expenses between \$100,000 and \$500,000

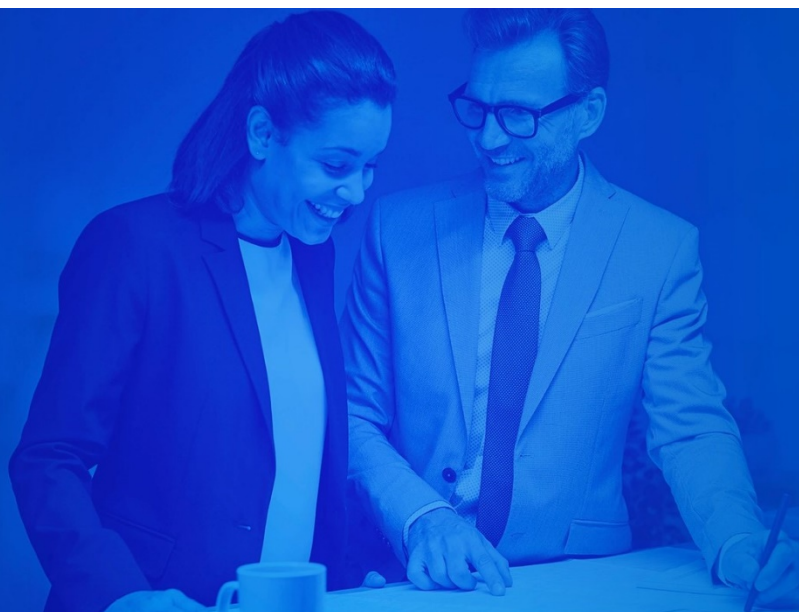
Coverage period:

Retroactive to March 15, 2020. Training projects will be accepted until September 30, 2020, or until the budget is used up.

Coordination with federal programs:

- ✓ If the business receives the emergency wage subsidy (75%) – eligible expenses representing 25% of workers' wages
- ✓ If the business receives the wage subsidy (10%) – eligible expenses representing 90% of workers' wages
- ✓ If the business does not receive federal assistance – eligible expenses representing 100% of workers' wages

Income tax return



Relief measures – Canada Revenue Agency and Revenu Québec

Income tax return (*)

Revenu Québec

Individuals: June 1, 2020

Corporations: May 1, 2020

Canada Revenue Agency:

Individuals: June 1, 2020

Trusts with a tax year end date of December 31, 2019: May 1, 2020

Payment of tax due

Revenu Québec:

Individuals: September 1, 2020

Canada Revenue Agency:

Individuals: September 1, 2020

Corporations with a balance due for the period of March 18, 2019, to September 1, 2020: to September 1, 2020 or later (August 31 and later at the provincial level)

Trusts: September 1, 2020

Payment of the GST and the QST

Deferral of quarterly payment scheduled March 31, 2020, to June 30, 2020, and monthly payments for February to April 2020 inclusive scheduled for June 30, 2020.

(*) If you are entitled to a refund, please file your return as soon as possible to receive it.

Source: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-filing-payment-dates.html>

Loan guarantee for SMEs



Employment programs for SMEs (federal measure)

Eligible businesses may take out a federally guaranteed interest-free loan of \$40,000.

Who is eligible?

Businesses must prove that they paid a minimum of \$20,000 to a maximum of \$1,500,000 in salaries in 2019.

Condition

The loan is to be used to cover the recurring operating costs of the business, such as wages, rent, property taxes and debt repayment.

Repayment terms

The loan will bear no interest until December 31, 2022.

- ✓ If the loan is paid off by December 31, 2022, then 25% of the loan will be paid back by the federal government, up to \$10,000.
- ✓ If the loan is not repaid by December 31, 2022, then it will be transformed into a loan payable over 3 years with a 5% interest rate.

How to apply for this loan?

Businesses registered with CRA can apply for this loan from their financial institution. Businesses must agree to comply with any subsequent verification carried out by CRA.

A similar program is also offered by the Government of Quebec for a maximum amount of \$ 50,000

Federal program offering financing to businesses through the BDC for the following amounts:

Business with revenues of \$ 1 million and less: Maximum loan up to \$ 312,500

Business with revenues of \$ 1 million to \$ 50 million: Maximum loan up to \$ 3,125,000

Business with revenues of more than \$ 50 million: Maximum loan up to \$ 6,250,000

Instalment payments



Relief measures – Canada Revenue Agency and Revenu Québec

Instalment payments:

Revenu Québec:

The payment of June 15, 2020, is postponed to September 1, 2020.

Canada Revenue Agency:

The payment of June 15, 2020, is postponed to September 1, 2020.

Source: <https://www.revenuquebec.ca/en/coronavirus-disease-covid-19/relief-measures-for-individuals-and-businesses/>
<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-filing-payment-dates.html>

Mortgages

Relief measures – financial institutions

Mortgage payments are **postponed, not cancelled**.

Canadian banks, through the Canadian Bankers Association (<https://cba.ca/?l=en-us>), have agreed to put in place relief measures for clients affected by the COVID-19 crisis.

- ✓ Mortgage payments can be deferred for up to six months.
- ✓ They encourage clients to contact them regarding the terms that may apply to their situation.

Desjardins Group has taken a similar position and encourages its clients to call 1-800-CAISSES (224-7737) for more information about these measures.

The Canadian Mortgage and Housing Corporation (<https://www.cmhc-schl.gc.ca/en/media-newsroom/coronavirus-update>) provides support regarding the various arrangements which can be made between the institution and the client:

- ✓ Payment deferral
- ✓ New loan amortization period
- ✓ Capitalization of unpaid interest

Commercial rents



Canada's Emergency Commercial Rent Aid

Who is the program for?

The owners of commercial rental properties.

Objective of the program:

Reduce the commercial rent payable by SMEs by 75%.

Who is eligible?

SMEs with monthly rent of \$50,000 and less. The business must either have shut down as a result of COVID-19 or have experienced a 70% drop in revenue.

Details for landlords:

This is a loan equivalent to 50% of rents in April, May and June. The loan will be written off if the landlord meets the following conditions:

- ✓ Apply the 75% rent reduction to tenants
- ✓ No evictions during the affected period
- ✓ Must assume the 25% discount not covered by the loan

How to apply for this loan?

Via the CMHC website or by the link provided on:

<https://www.canada.ca/en/department-finance/economic-response-plan.html> By following the directions below:

- ✓ Look for Access to Credit
- ✓ Canada's Emergency Commercial Rent Aid
- ✓ Box at the end of the explanatory text: Learn more about the AUCLC (the link will take you directly to the CMHC website).

Property taxes

Relief measures

The *Ministère des Affaires Municipales et de l'Habitation* (ministry of municipal affairs and housing) website (<https://www.mamh.gouv.qc.ca/ministere/coronavirus-covid-19/> - French only) indicates that the *Cities and Towns Act* and the *Act respecting Municipal Taxation* give municipalities the power to:

- ✓ Change the interest on late payments
- ✓ Cancel penalties on late payments
- ✓ Amend the payment schedule and delay payments

Several cities in Quebec have made the decision to provide relief, including:

- ✓ Cancelling interest
- ✓ Cancelling penalties
- ✓ Extending payment deadlines

Transfer taxes are also covered by these measures.

Each municipality has adopted its own measures.

Residents should contact their municipality's administrative offices to learn more.

As at April 3, 2020, the following municipalities have put in place relief measures: Coaticook, Drummondville, Gatineau, Granby, Lac-Mégantic, Laval, L'Ancienne-Lorette, Lévis, Longueuil, Montreal, Quebec City, Rivière-du-Loup, Saguenay, St-Bruno-de-Montarville, St-Denis-de-Brompton, St-Lambert, Sherbrooke, Trois-Rivières, Varennes and Victoriaville.

Source: <https://www.cfib-fcei.ca/en/advocacy/employment-and-labour/quebec-municipalities-during-covid-19-what-are-they-doing-support>

Local investment funds

Relief measures for regional county municipality local investment funds

A local investment fund is intended to stimulate the local entrepreneurship by encouraging access to capital to kick off or grow traditional businesses or social economy enterprises, and help support entrepreneurial succession. With the local investment fund (LIF), businesses whose objectives are inline with the regional county municipality's (RCM) investment policy can receive financial assistance in one of the forms below:

- ✓ Loan
- ✓ Equity loan
- ✓ Loan guarantee
- ✓ Other types of funding

Grants are not one of the types of financial assistance provided.

Each RCM LIF was funded through a loan from the Government of Québec.

During this time of crisis caused by COVID-19, a six-month moratorium was imposed in respect of the repayment of loans already granted through LIFs (capital and interest). Interest earned during this period will be added to the loan balance. This measure is in addition to the moratorium already in place in most in-force RCM investment policies, which can last up to 12 months.

Source: <https://www.economie.gouv.qc.ca/bibliotheques/programmes/aide-financiere/fonds-local-dinvestissement-flif/> (French only)

Farmers, food processing and fishing



Protecting workers in the food supply chain

How much?

\$1,500 per foreign seasonal worker. \$50 million in federal funds for this program.

Goal

To help eligible companies put in place the necessary measures to follow the mandatory 14-day quarantine period for foreign workers

Who is eligible?

Farmers, fish harvesters and food processing companies

Restriction

Employers must follow the 14-day quarantine period and any other measure issued by Health Canada.

Farm Credit Canada

How much?

\$50 million in federal funds for this program

Goal

To provide the funds needed to offset liquidity issues and lost revenue on sales for 2020

Who is eligible?

Farmers, including aquaculture, fish harvesters and food processing companies.

Method of payment

Loan from Farm Credit Canada

Farm Credit Canada

How much?

\$287 million in federal funds for this program

Goal

Provide the funds necessary to address any liquidity issues as well as lost revenue from sales for 2020.

Who is eligible?

Farmers, including aquaculture, fish harvesters and food processing companies

Household expenses

Relief measures to reduce household expenses

Hydro-Québec

The accommodation measures announced are as follows:

- ✓ No service interruptions for non-payment
- ✓ No administration charges for late payments or unpaid bills
- ✓ No penalties on unpaid bills
- ✓ Residential connection service still available upon request

Online payment agreement possible via the Hydro-Québec website, at <http://www.hydroquebec.com/residential/>

Énergir (Gaz Métro)

For both individual and business clients:

- ✓ Recovery procedures suspended indefinitely
- ✓ Late payment fee billing suspended

Énergir invites those clients experiencing financial difficulties to contact its Customer Service Department for an assessment. <https://www.energir.com/en/covid-19/>

Bell and Vidéotron

Several accommodation measures regarding:

- ✓ Residential and business internet packages
- ✓ Phone line fees
- ✓ Free channel previews

Contact your service provider or visit their website for more information.

Loans and credit cards

Relief measures – Financial institutions

Personal loans, auto loans and credit cards

Financial institutions have put in place various relief measures to accommodate their clients during the crisis, including monthly payment deferrals (for up to six months at most institutions).

- ✓ Financial institutions ask their clients to contact them via their website for more information.

Credit card interest

Since April 08, 2020, several financial institutions have followed the request of the Prime Minister of Canada, Justin Trudeau, to grant a reduction in interest rates on the balances appearing on their customers' credit cards.

- ✓ In a press release dated April 2, 2020, Desjardins Group announced that it would lower credit card interest rates to 10.9% effective April 8, 2020.
- ✓ Effective April 08, 2020, RBC, BMO, BNC, CIBC and Scotia Banks are offering interest rate reductions on their credit cards to customers who have requested a deferred payment due to COVID19.

Sometimes, carrying over the balance to a new credit card can lower the interest cost for the first few months of membership (for up to ten months at most institutions). Credit card holders should do their research.

Websites : [https://www.mbna.ca/fr/cartes-de-credit/comparer-cartes-de-credit/quebec/?cm_sp=:GOOGLE:Quebec+-+Brand+-+FR+-+Google+\(19_S_CC_CTM_AO_ACO_FR_BRA\):DIF:Brand+-+General+-+FR+-+All&gclid=EAlalQobChMIrcO-mZbZ6AIVka_ICh2KLwgXEAAAYASAAEgIWCfD_BwE&gclsrc=aw.ds](https://www.mbna.ca/fr/cartes-de-credit/comparer-cartes-de-credit/quebec/?cm_sp=:GOOGLE:Quebec+-+Brand+-+FR+-+Google+(19_S_CC_CTM_AO_ACO_FR_BRA):DIF:Brand+-+General+-+FR+-+All&gclid=EAlalQobChMIrcO-mZbZ6AIVka_ICh2KLwgXEAAAYASAAEgIWCfD_BwE&gclsrc=aw.ds)

<https://www.bmo.com/principal/particuliers/cartes-de-credit/sans-frais/>

<https://www.scotiabank.com/ca/fr/particuliers/cartes-de-credit/comparez-cartes-de-credit.html>

Programs for ineligible businesses



Programs for businesses not eligible for any other relief measures

Innovative start-up companies

How much?

\$50 million in federal funds for this program.

Goals:

- ✓ Assist innovative start-up businesses not eligible for current support for COVID-19.
- ✓ Provide an industrial research assistance program including advice and funding.
- ✓ In order to increase innovation capacities and help them commercialize their ideas.

Young entrepreneurs

How much?

\$20.1 million in federal funds for this program.

Goal:

Allow to lighten the company's fixed payments for a period of up to 12 months.

How to apply?

Through Futurpreneur Canada

SME not eligible for any relief measures

How much?

\$675 million in federal funds for this program.

Goal :

Aider les PME qui ne peuvent se qualifier à aucune autre mesure de soutien.

How to apply?

Through Canada's Regional Development Agencies

Also available:

Aboriginal Business Program.

Measures for companies in the following fields: Culture, heritage and sports, Air transport, Tourism, Energy and Non-profit and charitable.