

The Government of Canada announced a new set of economic measures to help stabilize the economy today. The following is a summary of the response plan:

SUPPORT FOR CANADIANS

For Canadians without paid sick leave who are sick, quarantined or forced to stay home to care for children, the Government is:

- Waiving the one-week waiting period for those in imposed quarantine that claim Employment Insurance (EI) sickness benefits, effective as of March 15, 2020.
- Waiving the requirement to provide a medical certificate to access EI sickness benefits.
- Introducing the Emergency Care Benefit, which will provide up to \$900 bi-weekly for up to 15 weeks for workers, including the self-employed, who are quarantined or sick with COVID-19 but do not qualify for EI sickness benefits. The provision will also provide income support to workers (including the self-employed) who are taking care of a family member who is sick with COVID-19 (i.e. – an elderly family member), as well as parents with children who require care/supervision due to school closures and are unable to earn employment income, whether or not they qualify for EI. Application for the Benefit will be available in April 2020 and require Canadians to attest that they meet the eligibility requirements initially and every two weeks thereafter.
- For those workers that lose their jobs or face reduced hours as a result of COVID's impact, an Emergency Support Benefit provided through the Canada Revenue Agency will support those who are not eligible for EI and facing unemployment. The Government is also introducing the EI Work Sharing Program, which will provide EI benefits to workers who agree to reduce their normal working hours as a result of developments beyond the control of their employers, by extending eligibility of such agreements to 76 weeks. This was announced by the Prime Minister of March 11, 2020.
- For low and modest income families, a one-time special payment by early May 2020 through the Goods and Services Tax Credit system is proposed. The average boost to income will be approximately \$400 for single individuals and \$600 for couples. The Government is also proposing to increase the maximum annual Canada Child Benefit (CCB) by \$300 per child (only for the 2019-20 benefit year). The increase will be included in the May 2020 payment.
- Other measures proposed include funds for a new Indigenous Community Support Fund to address First Nations, Inuit and Metis Nation communities, placing a six month interest-free moratorium on the repayment of Canada Student Loans, reducing the required minimum withdrawals from Registered Retirement Income Funds (RRIF's) by 25% for 2020 and providing funding for people experiencing homelessness during the COVID-19 outbreak. Also, additional funds shall be extended to women's shelters and sexual

SUPPORT FOR CANADIANS (Continued)

assault centres to assist in preventing an outbreak in their facilities.

- The filing deadline for 2019 personal income tax returns has been deferred until June 1, 2020. Also, Trusts with December 31, 2019 year ends will have their filing deadline extended to May 1, 2020.
- The Canada Revenue Agency will allow all taxpayers to defer (until after August 31, 2020) payment of any income tax amounts that become owing on or after today and before September 2020. This provision will apply to

SUPPORT FOR BUSINESSES

- The Canada Account (administered by Export Development Canada – EDC), which is used to support exporters, will provide additional funding to Canadian companies through loans, guarantees or insurance policies.
- The Government proposes to provide eligible small employers a temporary wage subsidy for three months. The subsidy will be equal to 10% of remuneration paid during the period, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer. Businesses will benefit immediately through a reduction of income tax withheld on the employees' remuneration. Employers benefitting from this measure include corporations eligible for the small business deduction as well as non-profit organizations and charities.
- The Canada Revenue Agency (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 today and before September 2020. This relief will apply

tax balances due, as well as instalments. No interest or penalties will accumulate on these amounts during this period.

- The Government, through the Canada Mortgage and Housing Corporation (CMHC) is providing increased flexibility for homeowners facing financial difficulties to defer mortgage payments on CMHC insured mortgage loans. CMHC will permit lenders to allow payment deferral starting immediately, for those who face financial difficulties.

to tax balances due, as well as instalments. No interest or penalties will accumulate on these amounts during this period.

- The CRA will not contact any small or medium businesses to initiate any post assessment GST/HST or Income Tax audits for the next four weeks.
- The Business Development Bank of Canada (BDC) and Export Development Canada (EDC) will be provided with additional funding to support mainly small to medium-sized businesses in all sectors of the economy. The near-term credit available to farmers and the agri-food sector will also be increased through Farm Credit Canada.
- The Bank of Canada is cutting the interest rate charged to lenders to 0.75%.
- On March 16, 2020 the Government announced an Insured Mortgage Purchase Program (IMPP). It will purchase upwards of \$50 billion of insured mortgage pools through CMHC, which will provide long-term stable funding to banks and mortgage lenders.