

## FTR Now

# Federal Government Announces Further Support for Workers Affected by COVID-19

**Date:** March 18, 2020

*Note to our readers: Information regarding COVID-19 is rapidly evolving. Therefore we will be updating this article as new information becomes available. Please visit our website for these updates.*

On March 18, 2020, the federal government [announced](#) an \$82 billion aid package, with \$27 billion in direct income support for individuals and businesses affected by COVID-19, and \$55 billion to assist with liquidity in the form of tax deferrals.

Some of the initiatives that will be of most interest to employers include the government's announcement that it will be establishing benefits similar to employment insurance (EI) benefits for certain workers who do not qualify for EI benefits, and a temporary wage subsidy for eligible small businesses, non-profit organizations and charities.

Details regarding these initiatives include:

- **EI Sickness Benefits:** [As previously announced on March 11, 2020](#), the mandatory one-week waiting period for EI sickness benefits would be temporarily waived for those "in imposed quarantine". Today's announcement specifies that the waiver will be effective as of March 15, 2020. The federal *Employment Insurance Regulations* have also been amended to waive the requirement to provide a medical certificate to access EI sickness benefits. Instead, claimants will only need to provide a declaration that the quarantine was: (i) imposed under a federal or provincial law; (ii) imposed by a public health official for the health and safety of the public at large; or (iii) was recommended by a public health official for the safety of the public at large and the claimant was asked by their employer, a medical doctor, nurse or other person in authority to place themselves in quarantine. The relaxed requirement regarding medical certificates applies to a period of quarantine that begins on or after March 11, 2020 and also to a period of ongoing quarantine that started before March 11, but only with respect to the weeks of quarantine that start with the week of March 11, 2020.
- **EI Work-Sharing Program:** As previously announced, the government will be enhancing the EI Work-Sharing Program for applicable employers and workers by extending the period during which the program can be used from 38 weeks to 76 weeks. The government will also be easing the eligibility requirements and streamlining the application process. Further details have not yet been released.
- **Emergency Care Benefit:** An Emergency Care Benefit will be introduced for workers, including the self-employed, who are quarantined, sick with COVID-19, or taking care of a family member who is sick with COVID-19, but do not otherwise qualify for EI sickness benefits. This benefit will also be available to parents with children who require supervision due to school closures, and who are unable to work as a result, irrespective of whether they qualify for EI. The Emergency Care Benefit will pay eligible workers up to \$900 bi-weekly for up to 15 weeks. The application to access this new benefit is expected to be available in April.
- **Emergency Support Benefit:** An Emergency Support Benefit will be introduced for workers who are not eligible for EI and who are facing unemployment. This benefit is expected to be implemented in early April through the Canada Revenue Agency.
- **Temporary Business Wage Subsidy:** The government will introduce a temporary wage subsidy for eligible small businesses (i.e., those who qualify for the small business tax credit), non-profit organizations and charities. The subsidy will be in effect for a period of three months, and is equal to 10% of remuneration paid during that period, up to \$1,375 per employee and \$25,000 per employer. Eligible employers will obtain the subsidy by reducing the source deductions (for income tax withheld) they would otherwise be required to remit to the Canada Revenue Agency.
- **Minimum Withdrawals – RRIFs and Variable Benefits:** The required minimum withdrawals from Registered

Retirement Income Funds (RRIFs) will be reduced by 25% for 2020. Similar rules are expected to apply to variable benefit payments under defined contribution pension plans.

- **Tax System:** A number of tax deadlines were relaxed, to assist businesses and individuals with cash flow:
  - The tax filing deadline for individuals will be extended to June 1, 2020.
  - Businesses and individuals will be permitted to defer the payment of any income tax amounts (tax balances and instalments under Part I of the *Income Tax Act*) that become due and owing on or after March 18, 2020 and before September 2020. No interest or penalties will be applied to outstanding amounts during this period.
  - The CRA will also be pulling back on certain audit activity.

Many of these measures require legislative amendments. Parliament is expected to be recalled in the near future in order for the legislation to be tabled. There is indication that the opposition parties will support the measures to allow the amendments to pass quickly.

If you require further information, please contact a member of Hicks Morley's [Pension, Benefits & Executive Compensation Group](#)