



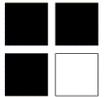
# **ROSSWORN HENDERSON LLP** *Chartered Professional Accountants*

C.L. Henderson, BBA, CPA, CA, Partner\*

\* providing professional services through a corporation

D.W. Stadnyk, CPA, CA, Partner\*

N.R. Merrill, CPA, CMA, Partner\*



***"At Rossworn Henderson LLP, we are always on the lookout for exceptional talent. Are you the one we are looking for?"***

## **COVID-19**

### **Summary of Information Available (Apr 3, 2020)**

#### **Apr 2 - BC Provincial Government Update**

- **Essential Services:** Those providing essential services are ensured they cannot be held liable for damages caused by exposure to COVID-19 while continuing to operate, so long as they are complying with orders from the provincial health officer and other authorities. We will be watching for further information on this.
- **Students:** Students attending British Columbia's 25 public post-secondary institutions, who are experiencing emergency financial pressures, will benefit from a one-time investment of \$3.5 million in emergency financial assistance. Contact your school's financial aid office for more info.
- **Income assistance or disability assistance:**
  - the Province will temporarily exempt federal employment insurance benefits, including the new \$2,000 Canada Emergency Response Benefit (CERB).
  - Payments will be fully exempted for the next three months so people receiving income assistance and disability assistance in B.C. will benefit from these new emergency federal support programs, without any reductions to their monthly assistance payments.
  - On income assistance or disability assistance and not eligible for the emergency federal support programs, including the CERB, the Province will provide an automatic \$300-monthly COVID-19 crisis supplement for the next three months.

#### **BC Hydro**

(Apr 2 )

BC Hydro is introducing the COVID-19 Relief Fund.

#### **For residential customers:**

If you or your spouse/partner have lost employment or have become unable to work due to COVID-19, you may be eligible for three months of bill credit based on your average consumption. The application is not open yet, but we expect it to be open the week of Monday, April 6. Once it opens, there is no rush to apply. Eligible customers can apply any time until June 30, 2020 to receive the credit.

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Box 705, 201 – 900 Belvedere St  
Enderby, BC V0E 1V0  
Phone: 250-838-7337  
Fax: 250-838-2144

Box 405, 2535 Patterson Ave  
Armstrong, BC V0E 1B0  
Phone: 250-546-8665  
Fax: 250-546-2419

Box 610, 2041 Vernon St  
Lumby, BC V0E 2G0  
Phone 250-547-2118  
Fax: 250-547-2042

For small businesses:

If you own a small business that needed to close due to COVID-19, you may be eligible to have your business' electricity use charges waived for up to three months. Application form to open the week of April 13. The application is not open yet, but we expect it to open the week of April 13. Once it opens, there is no rush to apply. Eligible business customers can apply any time before June 30, 2020 to have their business' bills waived for April, May and June.

**Payroll Subsidy**

(Apr 2)

Along with the announcement, the government released a new name for the 75% subsidy: the "Canada Emergency Wage Subsidy ("CEWS"). CEWS did not replace the old 10% wage subsidy, but rather, was an entirely new program.

The CEWS would provide a 75% wage subsidy to "eligible employers" – an entirely new definition which is distinct from the same phrase that is applicable for the 10% wage subsidy – for up to twelve weeks, retroactive to March 15, 2020.

Indications are that you can qualify for both, but you'll receive a deduction from the 75% wage grant for what you receive for the 10% wage grant.

(Apr 2 )

Eligible Employers = individual (excluding trusts), partnerships, non-profits, registered charities & Canadian-controlled private corporation

**At Least 30% Revenue Loss:**

- Compare revenue from the same month of last year for March, April, and May
- Must re-apply each month
- For businesses that just started up and don't have 2019 data, additional information will be released in the coming days.

**Benefit:**

- Covers the first \$58,700 in salary, providing up to \$847 per week in subsidy per employee.
- Employers who use this subsidy must do everything they can to supplement the remaining 25% of the wages.

**Availability:**

- The portal should be available in the next 3 weeks for application via the CRA portal.
- Funds will be available in approximately 6 weeks.
- You will have to reapply every month.

**Preparation:**

- Sign up for MyAccount through the CRA
- Sign up for direct deposit.

The Canadian Emergency Response Benefit is available in the meantime. The government is hoping that businesses will re-hire staff quickly as the benefit will be backdated to March 15. [Click here for more information and how to apply](#)

(March 31 )

- Businesses that can show that their revenues have decreased at least 30% since the start of the pandemic will be eligible for the 75% wage subsidy.
- The assessment of the 30% revenue drop will be done after the fact. If the drop was actually not this low, the company will have to repay.
- The number of employees a company has will not determine eligibility.
- The subsidy will apply to non-profit and charities, as well as companies that are both big and small (no cap).
- The government will cover up to 75% of the first \$58,700 that employees earn. That means up to approximately \$847 a week. This will be backdated to March 15.
- The subsidy will be a direct payment to the company so they can pay employees.

### Debt/financing

(Apr 2 )

#### Interest-Free Loans

The new "Canada Emergency Business Account" will provide interest-free loans of up to **\$40,000** to organizations with total a payroll of \$50,000 to \$1 million in 2019.

Up to \$10,000 of that amount will be eligible for complete forgiveness if \$30,000 is fully repaid on or before December 31, 2022.

These programs are expected to roll out 3 weeks after March 27th. Interested businesses should contact their current financial institution. [Click here for more information](#)

(March 27)

There may be an opportunity in some cases to apply for more.

(Mar 20)

Community Futures has raised the loan limit on its' quick loans to **\$25,000** with flexible terms and interest rates. This decision was made in order to be able to respond to small business needs, particularly payroll, during the coronavirus pandemic.

### Rent support

(March 25)

The new rental supplement will help households by offering up to \$500 a month towards their rent. The funds will support renters experiencing a loss of income by helping them pay their rent and will be paid directly to landlords on their behalf, to ensure landlords continue to receive rental income during the pandemic.

Halting the enforcement of existing eviction orders.

Freezing new annual rent increases during the state of emergency.

### **Mortgage deferral**

(March 13)

The Canada Mortgage and Housing Corporation (CMHC) and other mortgage insurers offer tools to lenders that can assist homeowners who may be experiencing financial difficulty. These include payment deferral, loan re-amortization, capitalization of outstanding interest arrears and other eligible expenses, and special payment arrangements.

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.

### **Canada Emergency Response Benefit/E.I.**

(march 25)

Will provide Canadians with \$2000 a month for the next 4 months for employees that lose their income due to COVID-19. This will replace the Emergency Care Benefit and Emergency Support Benefit announced last week in order to streamline the process.

If you are full-time, on contract, or self-employed, sick, quarantined, taking care of someone sick, or at home taking care of your kids you are eligible for this benefit.

Even if you are still employed but not receiving income due to the crisis, the Canada Emergency Response Benefit will be available. Moving forward, everyone will fall under the same benefit.

The application portal will open as soon as possible. Applicants will receive the money within 10 days of applying. *You will be able to apply for the new Canada Emergency Response Benefit in My Account or using the dedicated phone line starting April 2020. (CRA website)*

(Mar 24 )

<b>EMPLOYMENT INSURANCE</b>	
<b>LAI D OFF DUE TO WORK CLOSURE?</b> <ul style="list-style-type: none"><li>• Apply for regular EI benefits</li><li>• You will need 700 work hours in the last year</li><li>• You will need a ROE saying you've been laid off from your employer to get benefits</li><li>• There is a 1-week wait period (so you will not be paid for 1 week)</li><li>• Apply online: <a href="http://www.canada.ca/en/services/benefits/ei.html">www.canada.ca/en/services/benefits/ei.html</a></li><li>• Call 1-800-206-7218 for more info</li></ul>	<b>UNABLE TO WORK DUE TO SELF-QUARANTINE?</b> <ul style="list-style-type: none"><li>• Apply for EI sick benefits</li><li>• You will need 600 work hours in the last year</li><li>• You do not need a ROE or sick note to qualify.</li><li>• The 1-week wait period has been waived</li><li>• Apply online: <a href="http://www.canada.ca/en/services/benefits/ei.html">www.canada.ca/en/services/benefits/ei.html</a></li><li>• Call 1-833-381-2725 for more info</li></ul>
<b>LAI D OFF AND INELIGIBLE FOR EI?</b> <ul style="list-style-type: none"><li>• Apply for the Emergency Support Benefit</li><li>• Amounts and eligibility has not been announced yet</li><li>• Applications will be available in April via CRA MyAccount, My Service Canada Account and a yet to be released toll-free number</li></ul>	<b>SELF-QUARANTINED &amp; INELIGIBLE FOR EI?</b> <ul style="list-style-type: none"><li>• Apply for the Emergency Care Benefits for workers not eligible for EI (including self-employed) who are sick with COVID-19, quarantined, or taking care of a family member with COVID-19</li><li>• Up to 15 weeks of benefits, up to \$900 bi-weekly</li><li>• Applications will be available in April via CRA MyAccount, My Service Canada Account and a yet to be released toll-free number</li></ul>

**Miscellaneous personal:**

1. Additional One-Time GST Credit of up to \$580
2. Additional Canada Child Benefit Amount of up to \$300 per child
3. 25% reduction in RRIF Minimum Amount for 2020

**Filing Deadlines:**

(Mar 30)

The due date for filing individual tax returns has been extended to June 1, 2020. Taxpayers will have until September 1, 2020 to pay any 2019 income tax amounts owed.

(mar 27)

1. Unless otherwise noted, administrative income tax actions required of taxpayers by the CRA that are due after March 18, 2020 can be deferred to June 1, 2020. These administrative income tax actions include returns, elections, designations and information requests.
2. The deadline for trusts, partnerships and NR4 information returns are all extended to May 1, 2020.

Concerning GST/HST, remittance of GST collected will be deferred to June 30, 2020 for the following reporting periods:

1. Monthly filers, for their February, March and April 2020 reporting periods;
2. Quarterly filers, for their Jan 1, 2020 – March 31, 2020 reporting period; and
3. Annual filers whose GST/HST return or instalments are due March, April or May 2020.

The Government also announced an extension to the deadline for filing a Notice of Objection. Quote from Ottawa “for any objection requested due March 18 or later, the deadline is effectively extended until June 30, 2020.

(Mar 26 )

**Worksafe** - WorkSafeBC has decided to allow employers to defer payment of their Q1 2020 premiums by three months. This means employers who report payroll and make payments on a quarterly basis, as well as Personal Optional Protection (POP) coverage holders, can defer payment until June 30, 2020.

Employers who report annually will not be impacted because they do not report payroll or pay premiums until March 2021. Employers who report and pay on a quarterly basis may still find it to their advantage to report their payroll by April 20, even if they defer payment, to ensure their account balance is accurate and clearance is not negatively impacted.

(March 19)

All tax payers can defer, or not pay their income tax balances and/or instalments payments to the Government until after August 31, 2020. This is only available if those income tax balances became owing between March 18, 2020 and September 2020. No interest or penalties will accumulate on these amounts during this period

**AUDITS** - CRA has ceased all audit activity for the next four (4) weeks. During this time, they will not contact any small or medium sized businesses, and they will suspend any ongoing audit work for this same four week period.

### **Agriculture Specific**

(Mar 30)

- **FCC** - Upon customer inquiry, FCC is deferring principal and interest payments for six months, or in some cases, deferring principal payments for up to 12 months, he explains.
- Also, FCC is providing access to an additional credit line of up to \$500,000, secured by general security agreements. An added \$5 billion (equal to about half of the lending FCC does in a normal year) is allocated to FCC to increase lending capacity to producers, agribusinesses and food processors.

(Mar 27)

- Travel restrictions on Temporary Foreign Workers coming to Canada was officially lifted on March 26<sup>th</sup>
- **AgriStability is offering an Interim Payment Option:** If you will be receiving an AgriStability benefit for 2019 you can apply for an interim payment of 75% of the estimated final 2019 benefit. **The application deadline is March 31, 2020.**