



Canada's COVID-19 Economic Response Plan

BILL C-13: [An Act respecting certain measures in response to COVID-19](#)

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

Support for Individuals

Individuals and Families

- [Increasing the Canada Child Benefit](#)
 - The Government of Canada is providing up to an extra \$300 per child through the Canada Child Benefit (CCB) for 2019-20. This will mean approximately \$550 more for the average family.
 - This benefit will be delivered as part of the scheduled CCB payment in May.
 - Those who already receive the CCB do not need to re-apply.
- [Special Goods and Services Tax Credit Payment](#)
 - The Government of Canada is providing a one-time special payment starting April 9 through the Goods and Services Tax credit for low- and modest-income families.
 - The average additional benefit will be close to \$400 for single individuals and close to \$600 for couples.
 - There is no need to apply for this payment. If you are eligible, you will get it automatically.
- [Extra Time to File Income Tax Returns](#)
 - The filing due date for 2019 income tax returns for individuals has been deferred until June 1, 2020. Any new income tax balances due, or instalments, are also being deferred until after August 31, 2020 without incurring interest or penalties.
- [Mortgage Support](#)
 - Canadian banks have committed to work with their customers on a case-by-case basis to find solutions to help them manage hardships caused by COVID-19. This includes permitting lenders to defer up to six monthly mortgage payments (interest and principal) for impacted borrowers. Canadians who are impacted by COVID-19 and experiencing financial hardship as a result should contact their financial institution regarding flexibility for a mortgage deferral. This gives flexibility to be available – when needed – to those who need it the most. You are encouraged to visit your bank's website for the latest information, rather than calling or visiting a branch.
 - Contact your financial institution for further mortgage assistance.
 - [Consult your bank's dedicated COVID-19 page](#)
 - The Canada Mortgage and Housing Corporation 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.

- Canada's mortgage insurers are committed to providing homeowners with solutions to mitigate temporary financial hardship related to COVID-19. This includes permitting lenders to defer up to six monthly mortgage payments (interest and principal) for impacted borrowers. Deferred payments are added to the outstanding principal balance and subsequently repaid throughout the life of the mortgage.

People Facing Unemployment

- [Canada Emergency Response Benefit \(CERB\)](#)
 - The Government of Canada will provide a taxable benefit of \$2,000 a month for up to 4 months to eligible workers who have lost their income due to COVID-19.
- [Apply for Employment Insurance](#)
 - If you have stopped working because of COVID-19, you should apply for the Canada Emergency Response Benefit, whether or not are eligible for Employment Insurance. The Benefit is available for the period from March 15, 2020 to October 3, 2020.
 - If you applied for EI regular or sickness benefits on March 15, 2020 or later, your claim will be automatically processed through the Canada Emergency Response Benefit.

People who are sick, quarantined, or in directed self-isolation

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Support for Businesses

Avoiding layoffs and rehiring employees

- [Canada Emergency Wage Subsidy](#)
 - The proposed Canada Emergency Wage Subsidy would cover 75 per cent of salaries for qualifying businesses, for up to 3 months, retroactive to March 15, 2020. Employers of all sizes and across all sectors of the economy would be eligible with the exception of public sector entities.
 - This program is designed to help employers hardest hit by the COVID-19 pandemic to keep and retain workers.
 - Organizations that do not qualify for the Canada Emergency Wage Subsidy may qualify for the previously announced wage subsidy of 10 per cent of remuneration paid from March 18 to before June 20, 2020.
 - Eligible employers would be able to access the Canada Emergency Wage Subsidy by applying through a Canada Revenue Agency online portal. More details on how to apply will follow soon.
- [Extending the Work-Sharing program](#)

- The Government of Canada is extending the maximum duration of the Work-Sharing program from 38 weeks to 76 weeks for employers affected by COVID-19. This measure will provide income support to employees eligible for Employment Insurance who agree to reduce their normal working hours because of developments beyond the control of their employers.

Reduced and deferred payments

- [More time to pay income taxes](#)
 - The Government of Canada is allowing all businesses to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after March 18 and before September 2020. This relief would apply to tax balances due, as well as installments, under Part I of the Income Tax Act.
 - No interest or penalties will accumulate on these amounts during this period.
- [Deferral of Sales Tax Remittance and Custom Duty Payment until June](#)
 - The Government of Canada is allowing businesses, including self-employed individuals, to defer until June 30, 2020 payments of the GST/HST, as well as customs duty owing on their imports.
 - Any GST/HST payment that becomes owing from March 27 until the end of May can be deferred until the end of June. For GST and customs duty payments for imported goods, deferral will include amounts owing for March, April and May.
 - These amounts were normally due to be submitted to the Canada Revenue Agency and the Canada Border Services Agency as early as the end of March 2020.

Access to credit

- [Establishing a Business Credit Availability Program](#)
 - The Government of Canada established a Business Credit Availability Program (BCAP) to provide \$40 billion of additional support through the Business Development Bank of Canada (BDC) and Export Development Canada (EDC).
 - BDC and EDC are working with private sector lenders to coordinate on credit solutions for individual businesses, including in sectors such as oil and gas, air transportation, exports and tourism.
 - This program includes:
 - **Loan Guarantee for Small and Medium-Sized Enterprises**
 - EDC is working with financial institutions to issue new operating credit and cash flow term loans of up to \$6.25 million to SMEs.
 - **Co-Lending Program for Small and Medium-Sized Enterprises**
 - BDC is working with financial institutions to co-lend term loans to SMEs for their operational cash flow requirements.
 - Eligible businesses may obtain incremental credit amounts of up to \$6.25 million through the program.
 - These programs will roll out in mid-April and interested businesses should work with their current financial institutions.
- Canada Emergency Business Account
 - The new Canada Emergency Business Account will provide interest-free loans of up to \$40,000 to small businesses and not-for-profits, to help cover their operating costs during a period where their revenues have been temporarily reduced.

- To qualify, these organizations will need to demonstrate they paid between \$50,000 to \$1 million in total payroll in 2019.
- This program will roll out in mid-April and interested businesses should work with their current financial institutions.

Supporting financial stability

- [Launching an Insured Mortgage Purchase Program](#)
 - The Government of Canada launched an Insured Mortgage Purchase Program, in which they will purchase up to \$150 billion of insured mortgage pools through the Canada Mortgage and Housing Corporation.
 - This action will provide long-term stable funding to banks and mortgage lenders, help facilitate continued lending to Canadian consumers and businesses, and add liquidity to Canada's mortgage market.
- [Bank of Canada actions](#)
 - The Bank of Canada is acting in several ways to support the economy and financial system and stands ready to take any and all actions that it can to protect the well-being of Canadians during this difficult time. The Bank has responded by lowering interest rates, intervening to support key financial markets and providing liquidity support for financial institutions.
- Office of the Superintendent of Financial Institutions actions
 - The Office of the Superintendent of Financial Institutions announced it is lowering the Domestic Stability Buffer by 1.25% of risk-weighted assets. This action will allow Canada's large banks to inject \$300 billion of additional lending in to the economy.

Support for self-employed individuals

- [Canada Emergency Response Benefit \(CERB\)](#)
 - The Government of Canada will provide a taxable benefit of \$2,000 a month for up to 4 months to eligible workers who have lost their income due to COVID-19.
 - A portal with a simple question will help us direct you to the service option that best fits your situation (i.e. eligibility for Employment Insurance benefits or not).
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