



SUMMARY OF CANADA  
AND QUEBEC'S COVID-19  
ECONOMIC RESPONSE PLAN:  
Support for Businesses  
and Individuals

(Updated on November 6, 2020)

**DUKE** | CPA  
Inc.

Société de comptables professionnels agréés  
Chartered professional accountants corporation

127 Rue Principale, Suite 105, Cowansville, Qc, J2K 1J3  
T : (450) 263-4123 Fax : (450) 263-3489  
[Duke-cpa.com](http://Duke-cpa.com) [info@duke-cpa.com](mailto:info@duke-cpa.com)



## FEDERAL ASSISTANCE PROGRAMS – BUSINESSES

### BDC Loans

---

There are loans available through the BDC which can allow small businesses get up to \$100,000 within 48 hours after the file has been accepted

- To qualify for this loan, your company has to:
  - Be a Canadian company
  - Have generated a profit for the last 24 months
  - Have a good credit history
- The loan can be used for various business-related expenditures
- The loan is provided at a low interest rate with no principal payment for the first 6 months and you can repay over 5 years
- To apply, fill out the form at the following link:

[https://www.bdc.ca/en/online\\_financing/pages/loan-application.aspx](https://www.bdc.ca/en/online_financing/pages/loan-application.aspx)

Additional measures to help provide relief for Canadian entrepreneurs who are impacted by the Covid-19 pandemic

- Working capital loans of up to \$2 million with flexible terms and payment postponements for up to 6 months for qualifying businesses
- Postponement of payments for up to 6 months, free of charge for existing BDC clients with total BDC loan commitment of \$1 million or less
- Reduced rates on new eligible loan
- Contact BDC to make a financing request: 1-877-232-2269; or visit the link below

[https://www.bdc.ca/en/about/mediaroom/news\\_releases/pages/bdc-announces-additional-measures-provide-relief-canadian-entrepreneurs.aspx](https://www.bdc.ca/en/about/mediaroom/news_releases/pages/bdc-announces-additional-measures-provide-relief-canadian-entrepreneurs.aspx)

### EDC Loans

---

Export Development Canada (EDC) has also expanded their mandate. EDC is a credit agency for exporting companies, however with the current situation, they have decided to support small and medium businesses as well. This program will go on until June 2021.

- The EDC will work with financial institutions to guarantee 80% of new operating credit and cash flow term loans of up to \$6.25M to small and medium businesses
- For credit insurance customers they will:
  - Cover losses for goods shipped even if the buyer has not accepted the goods
  - Waive the 60-day waiting period for claims

<https://www.edc.ca/en/about-us/newsroom/edc-covid-business-support.html>



**SUMMARY of  
Canada and Quebec's  
COVID-19 Economic  
Response Plan**

## Canada Emergency Business Account

---

**Interest free loans of up to \$40,000 accessible to small businesses and non-profit organizations, to help cover their operating costs**

- To qualify, the borrower needs to:
  - Be a Canadian operating business in operation as of March 1, 2020
  - The business intends to continue to operate or to resume operations
  - Have a federal tax registration
  - Have paid between \$20,000 and \$1.5 million in salary expenses in 2019
  - Have an active business chequing/operating account or a personal bank account with the lender which was opened prior to March 1, 2020
  - Has not previously used the program
  - Agree to participate in post-funding surveys from the Government of Canada
- On March 19<sup>th</sup>, the government announced an expansion to the eligibility criteria – this will allow businesses that are sole proprietors that receive dividends rather than payroll to access interest free loans. To qualify for this expansion, applicants with payroll lower than \$20,000 need:
  - A business operating account at a participating financial institution
  - A Canada Revenue business number, and have had filed a 2018 or 2019 tax return
  - Eligible non-deferrable expenses between \$40,000 and \$1.5M (rent, property taxes, utilities, and insurance)
- If the borrower repays the loan by December 31, 2022, a forgivable loan of 25% will be granted for a maximum of \$10,000
- This loan is only to be used for non-deferrable operating expenses (payroll, rent, utilities, insurance, property taxes...)
- To apply for this loan, you need to contact your financial institution
- The deadline for applications is **December 31<sup>st</sup>, 2020**
- For more information: <https://ceba-cuec.ca/>



**SUMMARY of  
Canada and Quebec's  
COVID-19 Economic  
Response Plan**

**An expended Canada  
Businesses Account (CEBA)**

- On October 9, 2020, the federal government announced an extension to the CEBA program which would enable businesses and not-for-profits eligible for CEBA loans and that continue to be seriously impacted by the pandemic to access an interest free loan of up to \$20,000, in addition to the original CEBA loan of \$40,000
- Half of this additional loan would be forgivable if repaid by December 31, 2022
- An attestation of the impact of COVID-19 on the business will be required to access the additional financing – companies must have been seriously impacted by the pandemic to qualify
- Note: this extension has not been finalized yet. More information on the launch date and the application process will be announced shortly.  
<https://www.canada.ca/en/department-finance/news/2020/10/government-announces-new-targeted-support-to-help-businesses-through-pandemic.html>



**SUMMARY of  
Canada and Quebec's  
COVID-19 Economic  
Response Plan**

## Temporary Wage Subsidy

---

On March 18<sup>th</sup>, the government of Canada announced the Temporary Wage Subsidy to support businesses in order to help prevent layoffs by covering part of the salary expenses

- This subsidy is equal to 10% of remuneration for a period of 3 months, with a maximum of \$1,375 per employee and \$25,000 per employer
- If you are eligible for this program, you must notify the CRA by submitting the **Form PD27 10% Temporary Wage Subsidy Self-identification Form for Employers** for each of your payroll program (RP) accounts
- The program is open to the following employers: Individuals (excluding trusts), Partnerships, Non-profit organizations, Registered charities, and Canadian-controlled private corporation (including cooperative corporation)
- Businesses will be able to benefit immediately from this support by reducing their remittances of income tax withheld on their employee's remuneration.

<https://www.canada.ca/en/revenue-agency/services/subsidy/temporary-wage-subsidy/tws-get.html>



**SUMMARY of  
Canada and Quebec's  
COVID-19 Economic  
Response Plan**

## Canada Emergency Wage Subsidy

---

This program was set in place by the Government to help Canadian businesses who have seen their income decrease due to COVID-19 by providing a subsidy of 75% of employee salaries

\*See table on next page

- This subsidy is equal to 75% of remuneration for up to 12 weeks
- Applies to the first \$58,700 up to a maximum \$847 per week per employee
- Employers need to have had a CRA payroll account on March 15, 2020. Companies must have seen a drop-in revenue – there are two ways to calculate this revenue decrease;
  - Comparing to the previous year
    - 15% drop in March 2020 compared to March 2019
    - 30% drop in April 2020 compared to April 2019
    - 30% drop in May 2020 compared to May 2019
    - 30% drop in June 2020 compared to June 2019
  - Using the average revenue earned in January and February 2020 and comparing it to March, April, May and June 2020
    - The required reduction per month remains the same
- An automatic qualification applies for subsequent periods – for example, if you qualify for the period from April 12, 2020 to May 9, 2020, then you are automatically qualified for the period from May 10 to June 6, 2020
- ***The program will now be extended until June 2021. The subsidy will remain at the current subsidy rate up to a maximum of 65% of eligible wages until December 19, 2020. More details to come soon.***  
<https://www.canada.ca/en/department-finance/news/2020/10/government-announces-new-targeted-support-to-help-businesses-through-pandemic.html>



**SUMMARY of  
Canada and Quebec's  
COVID-19 Economic  
Response Plan**

Eligibility Period	Baseline revenue	Eligibility period revenue	Required reduction
March 15, 2020 to April 11, 2020	<ul style="list-style-type: none"><li>• March 2019, or</li><li>• Average of January and February 2020</li></ul>	March 2020	15%
April 12, 2020 to May 9, 2020	<ul style="list-style-type: none"><li>• April 2019, or</li><li>• Average of January and February 2020</li></ul>	April 2020	30%
May 10, 2020 to June 6, 2020	<ul style="list-style-type: none"><li>• May 2019, or</li><li>• Average of January and February</li></ul>	May 2020	30%
June 7, 2020 to July 5, 2020	<ul style="list-style-type: none"><li>• June 2020, or</li><li>• Average of January and February 2020</li></ul>	June 2020	30%



## **SUMMARY of Canada and Quebec's COVID-19 Economic Response Plan**

The federal government has proposed extending the CEWS until December 19, 2020 and has provided details about the program until November 21, 2020. The CEWS will be adapted to support more workers and businesses, better protect jobs, promote growth, and effectively respond as the economy continues to reopen.

- Effective July 5, 2020, the CEWS would consist of two parts:
  - A base subsidy available to all eligible employees that are experiencing a decline in revenues, with the subsidy varying depending on the scale of revenue decline, and
  - A top up subsidy of up to an additional 25% for those employers that have been most adversely affected by the COVID-19 crisis.
- Effective July 5, 2020 (i.e., period 5 and subsequent periods), employers that have been affected by the COVID-19 pandemic would be eligible for a base CEWS amount for active employees. This base would be a specified rate, applied to the amount of remuneration paid to the employee for the eligibility period, on remuneration of up to \$1,129 per week. The rate of the base CEWS would now vary depending on the level of revenue decline, and its application would be extended to employers with a revenue decline of less than 30% (See table 1). This expansion would mean that all eligible employers with a revenue decline would now qualify for CEWS support.
- The specified rate would be determined based on the change in an eligible employer's monthly revenues.
- The maximum base CEWS rate would be provided to employers with revenue drop of 50% or more. Employers with a revenue drop of less than 50% would be eligible for a lower base CEWS Rate, as shown in Table 1. The decline in the base CEWS rate between a 50% revenue drop and zero provides a smooth phase-out so that businesses can grow and rehire without worrying about a sharp drop-in support as economic activity returns.
- The maximum base CEWS rate would be gradually reduced from 60% in Period 5 and 6 (July 5 to August 29) to 20% in Period 9 (October 25 to November 21).



**SUMMARY of  
Canada and Quebec's  
COVID-19 Economic  
Response Plan**

	Period 5*: July 5 – August 1	Period 6*: August 2 – August 29	Period 7: August 30 – September 26	Period 8: September 27 – October 24	Period 9: October 25 – November 21
Maximum weekly benefit per employee	Up to \$677	Up to \$677	Up to \$565	Up to \$452	Up to \$226
Revenue drop:					
50% and over	60%	60%	50%	40%	20%
0% to 49%	1.2 x revenue drop	1.2 x revenue drop	1.0 x revenue drop	0.8 x revenue drop	0.4 x revenue drop
	(e.g., 1.2 x 20% revenue drop = 24% base CEWS rate)	(e.g., 1.2 x 20% revenue drop = 24% base CEWS rate)	(e.g., 1.0 x 20% revenue drop = 20% base CEWS rate)	(e.g., 0.8 x 20% revenue drop = 16% base CEWS rate)	(e.g., 0.4 x 20% revenue drop = 8% base CEWS rate)
*In periods 5 and 6, employers who would have been better off in the CEWS design in Periods 1 to 4 would be eligible for a 75% wage subsidy if they have a revenue decline of 30% or more. As described further below (see <i>Safe harbour rule</i> for Periods 5 and 6).					



**SUMMARY of  
Canada and Quebec's  
COVID-19 Economic  
Response Plan**

**CEWS Extension Continued**

- A top-up CEWS of up to 25% would be available to employers that were the most adversely impacted by the pandemic. Generally, an eligible employer's top-up CEWS would be determined based on the revenue drop experienced when comparing revenues in the preceding 3 months to the same months in the prior year. Under alternative approach to the calculation of baseline revenues, an eligible employer's top-up CEWS would be determined based on the revenue drop experienced when comparing average monthly revenue in the preceding 3 months to the average monthly revenue in January and February 2020.
- Employers that have experienced a 3-month average revenue drop of more than 50% would receive a top-up CEWS rate equal to 1.25 times the average revenue drop that exceeds 50%, up to a maximum top-up CEWS rate of 25%, which is attained at a 70% revenue decline. As with the base CEWS rate, the top-up CEWS rate would apply to remuneration of up to \$1,129 per week. The top-up CEWS rate for selected average revenue drop levels is illustrated in Table 2 below.

3-month average revenue drop	Top-up CEWS rate	Top-up calculation $1.25 \times (3\text{-month revenue drop} - 50\%)$
70% and over	25%	$1.25 \times (70 - 50\%) = 25\%$
65%	18.75%	$1.25 \times (65 - 50\%) = 18.75\%$
60%	12.5%	$1.25 \times (60 - 50\%) = 12.5\%$
55%	6.25%	$1.25 \times (55 - 50\%) = 6.25\%$
50% and under	0.0%	$1.25 (50 - 50\%) = 0.0\%$

**Safe harbour rule for period 5 and 6**

- For Periods 5 and 6, an eligible employer would be entitled to a CEWS rate not lower than the rate that they would be entitled to if their entitlement were calculated under the CEWS rules that were in place for Periods 1 to 4. This means that in Periods 5 and 6, an eligible employer with a revenue decline of 30% or more in the relevant reference period would receive a CEWS rate of at least 75% or potentially an even higher CEWS rate using the new rules outlined above for the most adversely affected employers (up to 85%).

<https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-what-changes.html>



**SUMMARY of  
Canada and Quebec's  
COVID-19 Economic  
Response Plan**

## Tax Deadlines

<b>Individuals</b>	
T1 returns for 2019 tax year	June 1, 2020
Payment date for 2019 tax year	September 30, 2020 (instalments included)
<b>Corporations</b>	
Filing date for 2019 tax year	June 1, 2020 (Applies to those that would have filed their taxes between March 18 and before June 1, 2020)
Payment date for 2019 tax year	September 30, 2020 (Instalments & balances due on or after March 18 and before September 1, 2020)
<b>Deceased Individuals</b>	
Filing date for current tax year	The later between June 1, 2020 or six months after their day of death
Payment date for current tax year	The later between September 30, 2020 or six months after their day of death
<b>Self-Employed and their spouse/common law partner</b>	
Filing date for current tax year	June 15, 2020
Payment date for current tax year	September 30, 2020 (instalments & balances due on or after March 18 and before September 1, 2020)
<b>Trusts</b>	
Filing date for current tax year (including T3 information return)	May 1, 2020 (Tax year end of December 31, 2019) June 1, 2020 (Applies to those that would have filed their taxes in April or May)
Payment date for current tax year	September 1, 2020 (instalments & balances due on or after March 18 and before September 1, 2020)

To view more deadlines that may apply to your situation, visit the following link:

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



**SUMMARY of  
Canada and Quebec's  
COVID-19 Economic  
Response Plan**

## Canada Emergency Commercial Rent Assistance

---

The Canada Emergency Commercial Rent Assistance (CECRA) program was introduced to support small businesses with much needed relief by reducing rent by at least 75% for the months of April, May, and June, July, August, and September 2020

- Offers forgivable loans to commercial property owners who meet the following criteria:
  - The property is located in Canada and generates rental revenue
  - You are the property owner of the commercial real property where the impacted small business tenants are located
  - Have a mortgage loan secured by the commercial real property
  - Will enter a rent reduction agreement with the tenants
  - This rent reduction agreement includes a suspension on eviction for that period
  - Have declared rental income on your tax return for 2018 and/or 2019
- Eligible small business tenants or subtenants include companies that:
  - Pays no more than \$50,000 in monthly rent
  - Generates no more than \$20 million in gross annual revenues
  - Have temporarily ceased operations, or has at least a 70% decline in pre-COVID-19 revenues
- Two ways to calculate the 70% decrease for small business tenants:
  - If your small business was operating during April – September 2019, then compare your gross revenues from 2020 to those of 2019 for the specific month in which you are applying for
  - If your small business was not operating during April – September 2019, then compare your average gross revenues from each month you qualify for the program in 2020 to your average gross revenues for January and February 2020
- How the CECRA works:
  - The assistance is for the months of April, May, June, July, August and September 2020
  - Property owners can still apply for the program once the 3-month period has ended if they can prove eligibility
  - Property owners will have to refund the amounts paid by the tenants for the period
  - The loan will cover 50% of the rent owed by the tenants for during the 3-month period
  - The tenant pays 25% of total rent owed



## SUMMARY of Canada and Quebec's COVID-19 Economic Response Plan

- The July, August, and September extensions are now available. If you have previously been approved, you automatically qualify. If you haven't yet applied for the CECRA loan, you must apply for July and August as part of your entire application.
- The application process for April, May and June is now closed
- The deadline to apply for the months of July, August and September is **October 30, 2020**
- *Note: This is the last extension to the program as the government continues to explore more options to support small businesses with the ongoing challenges of the pandemic.*

<https://www.cmhc-schl.gc.ca/en/finance-and-investing/covid19-cecra-small-business>

### Quebec Top-up

- The Quebec government is now offering property owners a top-up for their Quebec properties. To get this new incentive, property owners must have previously funding under the CECRA program.
- How it works:
  - Property owners will receive 25% of the total CECRA funding received to help offset operating expenses and other general maintenance costs. There are no requirements to provide additional rent relief to small business tenants.
  - Example of how it works
    - Normal rent is \$10,000
    - CECRA for small business paid \$5,000 (50%)
    - Small business paid \$2,500 (25%)
    - Property owner forgave \$2,500 (25%)
    - The Quebec government will pay the property owners 25% of the total CECRA funding received (25% of \$5,000 = \$1,250)
- The top-up is a forgivable loan granted by the Quebec government to help property owners
- Property owners who have received CECRA assistance for any property located in the Province of Quebec are automatically eligible
- Property owners must login to their CECRA account using their existing username and password – they will only be required to accept the terms and conditions
- The deadline to apply is **December 18, 2020**

<https://www.cmhc-schl.gc.ca/en/finance-and-investing/covid19-cecra-small-business/QUEBEC-TOP-UP>



## Canada Emergency Rent Subsidy

---

The Canada Emergency Rent Subsidy (CERS) was announced on October 9, 2020 by the federal government

- This program will be available until June 2021 for qualifying businesses affected by the pandemic
- The subsidy would be provided directly to tenants while also providing support to property owners
- Eligible organizations include businesses, charities, and non-profits that have suffered from a revenue drop
- This subsidy is equal to 65% of eligible expenses until December 19, 2020
  - Organizations will be able to make claims retroactively for the period that began September 27 and ends October 24, 2020
- A top-up CERS of 25% is available for organizations temporarily shut down by a mandatory public health order issued by a qualifying public health authority
- **NOTE:** *program is not yet finalized – more details to come soon*  
<https://www.canada.ca/en/department-finance/news/2020/10/government-announces-new-targeted-support-to-help-businesses-through-pandemic.html>

## Regional Relief and Recovery Fund

---

The Regional Relief and Recovery Fund (RRRF) is providing over \$1.5 billion in assistance to businesses and communities that may require additional support to cope with and recover from the pandemic

- The funds are aimed to help:
  - Mitigate the financial pressure experienced by business and organizations to allow them to continue their operations, including paying their employees
  - Support projects by businesses, organizations and communities to prepare now for a successful recovery
- The regions that are eligible for this program are the following:
  - **Canada Economic Development for Quebec Regions**
  - **Federal Economic Development Agency for Southern Ontario**
  - **Federal Economic Development Initiative for Northern Ontario**
  - **Atlantic Canada Opportunities Agency (ACOA)**
  - **Western Economic Diversification Canada (WD)**
  - **Canadian Northern Economic Development Agency (CanNor)**



## SUMMARY of Canada and Quebec's COVID-19 Economic Response Plan

### Quebec Regions

- The **RRRF** aims to help Quebec businesses and organizations that need immediate assistance with their cashflow.
- It is intended for all of Quebec's sectors (aviation, cultural and sporting events, food production, manufacturing, retail, technology, tourism, etc.)
- Community organizations and not-for-profit organizations are not eligible for this funding
- Certain restrictions apply to **self-employed workers and sole proprietorships**
- The duration of these funds goes until March 31, 2021 until all available funds have been allocated
  
- There are two repayments conditions for the loan:
  - **Businesses seeking \$40,000 or less in financial assistance:** If 75% of the contribution is repaid by December 31, 2022, the remaining 25% becomes non-repayable; otherwise the entire portion is considered repayable over a three-year period, Starting January 1, 2023
  - **Businesses seeking over \$40,000 in financial assistance:** the entire financial contribution is repayable over a five-year period starting January 1, 2023.

<https://dec.canada.ca/eng/programs/regi/coronavirus-rrrf/details.html>

### Extra funds available

- On October 2nd, the Federal Government announced additional financial support aimed to support Canadian businesses and organizations that need immediate assistance with their cashflow.
- The government is adding \$600M to the Regional Relief and Recovery Fund (RRRF) which will be administered by Canada's Regional Development Agencies (RDAs). For more information on how to apply for funding in the Quebec region, visit the link below.
- More than \$280 M of these extra funds have been set aside for Quebec regions

<https://dec.canada.ca/eng/programs/regi/coronavirus-rrrf/index.html?fbclid=IwAR2qVtIMUuZ9-eEnwSqXp1LuarUiPyEqSgqF6VsiEQ08N-knINf1cVgsFBQ>



**SUMMARY of  
Canada and Quebec's  
COVID-19 Economic  
Response Plan**

## Large Employer Emergency Financing Facility

---

**The Large Employer Emergency Financing Facility (LEEFF) program was set in place to provide short-term liquidity assistance in the form of interest-bearing term loans to support Canada's largest employers whose needs are not being met during the pandemic.**

- The purpose of this program is to:
  - Help protect Canadian jobs within the large businesses
  - Help Canadian businesses weather the current economic downturn
  - Avoids bankruptcies of viable firms
- The program will be delivered through Canada Enterprise Emergency Funding Corporation (CEEDC), a subsidiary of Canada Development investment Corporation (CDEV), in cooperation with Innovation, Science and Economic Development Canada (ISED) and the Department of Finance.
- Eligibility:
  - Large employers who have a significant impact on Canada's economy, as demonstrated by having significant operations in Canada or supporting a significant workforce in Canada
  - Can generally demonstrated approximately \$300 million or more in annual revenues
  - Require a minimum loan of \$60 million
  - Large for-profit enterprises in all sectors can apply except for those in the financial sector
  - Certain non-profit enterprises such as airports may be eligible
  - Companies seeking support must show how they intend to preserve employment and activities, and how funding under LEEFF forms part of their overall plan to return to financial stability
- Assistance available:
  - Loans of \$60 million and above, based on the applicant's cash flow needs for the next 12 months
- Applicants should register their interest at [LEEFF-CUGE@cdev.gc.ca](mailto:LEEFF-CUGE@cdev.gc.ca) – a representative will send applicants a non-disclosure agreement, application form, and instructions.

<https://www.cdev.gc.ca/leeff-factsheet/>



## QUEBEC ASSISTANCE PROGRAMS – BUSINESSES

### Economic Recovery Plan for the Culture Sector

---

The Cultural Sector Economic Recovery Plan was released by the Conseil des arts et des lettres du Québec (CALQ) to set measures for artists, writers, and cultural organizations

- On October 2nd, Nathalie Roy, Minister of Culture and Communications, announced an additional financial support of \$50M for the culture sector
- Eligible businesses such as music and theatre venues in the red zone will be able to benefit from financial assistance equal to 75% of the average ticket revenue that would have normally been paid for those months prior to COVID-19
- It is important to note that producers must ensure that artists and other workers are paid
- This new incentive will be in effect from October 31, 2020 to March 31, 2020
- **Note:** more details to come when the incentive comes into effect  
<https://www.calq.gouv.qc.ca/en/grants/coronavirus/info/plan-de-reliance-mesures/>

### Fonds Local d'Investissement

---

The Fonds Local d'Investissement (FLI) is a financial tool for regional county municipalities (MRC) to offer loans to companies on their territory.

- The loans are offered at a reduced rate with preferential reimbursement of capital
- The loan terms are the following:
  - \$2,000 to \$50,000 at a 3% interest rate
  - Repayment term is 39 months
  - 3-month holiday from paying the loan
- For loans already granted through the FLI, they have put in place a 6-month suspension for repayments on the principal and interest – accrued interest during this period will be added to the loan balance
- Recently, it was announced that the government of Quebec will be investing an extra \$100 million to this program (\$20 M will be set aside specifically for the region of Montreal)

<https://www.economie.gouv.qc.ca/fr/bibliotheques/programmes/aide-financiere/fonds-local-dinvestissement-fli/>



**SUMMARY of  
Canada and Quebec's  
COVID-19 Economic  
Response Plan**

## Concerted Temporary Action Program

---

Investissement Quebec is offering financial aid through the Concerted Temporary Action Program for businesses. This will allow Investissement Quebec to offer emergency funding to companies affected by the Covid-19.

- Eligibility Criteria:
  - Be a business operating in Quebec
  - The business cannot be under the protection of the Companies Creditors Arrangement Act or the Bankruptcy and Insolvency Act
  - Businesses must show that their cash flow issues are temporary, and that the liquidity shortage stems from:
    - A problem involving the supply of raw materials or products (goods or services)
    - An inability, or a substantially decreased ability, to deliver goods, products or services
    - Applications will be reviewed on a case-by-case basis, according to the business's circumstances and Investissement Québec's management practices.
- The financial assistance will be provided as described below:
  - A loan guarantee is the preferred form of financing. Financing can also take the form of a loan from Investissement Québec.
  - Investissement Québec aims to work in close cooperation with financial institutions and federal authorities in order to share risks
  - The minimum funding amount is \$50,000.
  - Refinancing is prohibited.
  - This measure is designed to shore up the business's working capital.

<https://www.investquebec.com/quebec/en/financial-products/all-our-solutions/Concerted-temporary-action-program-for-businesses.html>



## SUMMARY of Canada and Quebec's COVID-19 Economic Response Plan

### Improvement to the PACTE program

- Business sectors in the “Red Zones” including bars, dining in restaurants, concert halls and movie theatres are being forced to close as the second wave of the pandemic continues to surge in parts of the province. To help alleviate the financial stress put onto the companies, the Quebec government is improving the Temporary Concerted Action Program for Enterprises (PACTE).
- Affected businesses will be entitled to an 80 percent reimbursement of their fixed costs, up to a maximum of \$15K per month during the forced closure period.
- The expenses related to the loan forgiveness are:
  - Municipal and school taxes
  - Rent (the portion not covered by another government program)
  - Interest paid on mortgages,
  - The insurance
  - Telecommunications costs
  - Permits and association fees

[https://www.investquebec.com/quebec/fr/a-propos/COVID-19.html?fbclid=IwAR2p2SYWgyysy\\_04M5Lq4QTBcZEnxnD0tTYIrpHqN59cebLyAjp5x4CSfPI](https://www.investquebec.com/quebec/fr/a-propos/COVID-19.html?fbclid=IwAR2p2SYWgyysy_04M5Lq4QTBcZEnxnD0tTYIrpHqN59cebLyAjp5x4CSfPI)

### Programme Actions Concertées pour le maintien en Emploi

---

This program is no longer available, however there is an alternative if companies still require help.

- **NOTE:** It was recently announced that the program has attained their maximum budget. However, companies are invited to check the possibility of joining an accepted training project from the Collective Promoters component of PACME. They can consult the **list of current projects** (In French) and communicate with the collective promoters who administer the accepted training projects.

<https://www.quebec.ca/entreprises-et-travailleurs-autonomes/programme-actions-concertees-pour-le-maintien-en-emploi-pacme-covid-19/>



## ASSISTANCE FOR EMPLOYEES AND INDIVIDUALS

### Canada Emergency Response Benefit

The Canada Emergency Response Benefit (CERB) program was created for employees who have been put out of work and are no longer generating an income due to COVID-19.

- This benefit is equal to \$2,000 a month for a maximum of 7 months (28 weeks)
- An eligibility period is a fixed 4-week payment period. Each period has a pre-set start and end date. This means when you apply for the CERB, you will receive a payment for a specific 4-week period.

Eligibility Period	Start and end date
1	March 15, 2020 to April 11, 2020
2	April 12, 2020 to May 9, 2020
3	May 10, 2020 to June 6, 2020
4	June 7, 2020 to July 4, 2020
5	July 5, 2020 to August 1, 2020
6	August 2, 2020 to August 29, 2020
7	August 30, 2020 to September 26, 2020

- This program is available to employees who:
  - Are a Canadian citizen and at least 15 years old
  - Have stopped working OR are eligible for Employment Insurance/regular or sickness benefits OR have exhausted their Employment Insurance regular benefits or Employment Insurance fishing benefits between December 29, 2019 and October 3, 2020
  - Who had employment income of at least \$5,000 in 2019 or in the last 12 months prior to the application
  - Who have not quit their job willingly
- When submitting the first claim, you cannot have earned more than \$1,000 in employment income in the last 14 days  
For subsequent claims, you cannot have earned more than \$1,000 in income for the entire four-week benefit period of your new claim

<https://www.canada.ca/en/services/benefits/ei/cerb-application.html>



## SUMMARY of Canada and Quebec's COVID-19 Economic Response Plan

### How dividends work in regard to CERB:

- As long as the dividends are non-eligible dividends (generally those paid out of corporate income taxed at the small business rate), and meet the eligibility criteria, you can apply for this program
- Non-eligible dividends count towards the minimum \$5,000 in income required for eligibility and also count toward the \$1,000 income threshold for a benefit period

### New programs to replace CERB once it comes to an end

- On August 20, 2020, the government introduced three additional benefits to help support Canadians during these challenging times. These programs are intended to replace the CERB once it comes to an end. All programs will be effective as of September 27, 2020 and will go on for a year. These programs will be discussed in the next few pages.

<https://www.canada.ca/en/employment-social-development/news/2020/08/supporting-canadians-through-the-next-phase-of-the-economy-re-opening-increased-access-to-ei-and-recovery-benefits.html>

## Canada Recovery Benefit (CRB)

---

The CRB will provide \$500 per week for up to 26 weeks, to workers who are not eligible for EI, mainly self-employed and those working in the gig economy. These individuals may still require financial support if they are unable to work due to the pandemic or had their income reduced relative to pre-COVID-19 pandemic.

- This benefit is available to residents who:
  - Are at least 15 years of age and have a valid social insurance number
  - Have stopped working due the COVID-19 pandemic and are available and looking for work, or have had a reduction in their employment\self-employment income for reasons related to COVID-19
  - Are not eligible for EI
  - Had employment and/or self-employment income of at least \$5,000 in 2019 or in 2020
  - Have not quit their job voluntarily
- Workers would need to apply after every 2-week period for which they are seeking income support and prove that they continue to meet the requirements. To continue being eligible, it is important that workers are actively looking for work and must accept any reasonable work offer.



## SUMMARY of Canada and Quebec's COVID-19 Economic Response Plan

- To encourage the return to work, workers would be able to earn income from employment and/or self-employment while receiving the benefit, as long as they continue to meet the other requirements. However, so that the funds of this program are distributed fairly, claimants that have an annual net income, excluding the CRB payment, over \$38,000 will have to repay some or all of the benefit through their income tax return. Claimants will need to repay \$0.50 of the benefit for every dollar of their annual net income above \$38,000 in the calendar year.
- For example, if a worker receives 10 weeks of the CRB in 2020 for a total of \$4,000, they would need to repay all of the benefit if their annual net income exceeds the threshold by \$8,000.

### Canada Sickness Recovery Benefit (CSRB)

---

The CSRB will provide \$500 a week for up to two weeks for workers who are unable to work because they are sick or if they must self-isolate for reasons related to COVID-19. This new program will fulfill the government's commitment as part of the Safe Restart Agreement with provinces and territories to provide up to 2 weeks of sick leave to all Canadians in the context of COVID-19.

- This benefit is eligible to:
  - Residents in Canada who are at least 15 years of age and have a valid social insurance number
  - Workers employed or self-employed at the time of the application
  - Workers who earned at least \$5,000 in 2019 or in 2020
- Workers would not be required to have a medical certificate to qualify for the benefit. However, claimants cannot receive the CSRB and other paid sick leave for the same benefit period. Workers would need to have missed 60% of their scheduled work in the week for which they claim the benefit. Eligible claimants would need to apply after the one-week period in which they are seeking income support and prove they meet the requirements. This benefit is taxable.



**SUMMARY of  
Canada and Quebec's  
COVID-19 Economic  
Response Plan**

## Canada Recovery Caregiving Benefit (CRCB)

---

The CRCB will provide \$500 per week for up to 26 weeks per household to eligible Canadians. This program is intended to help families due to the closures of schools, daycares, and other day program facilities to prevent the spread of COVID-19. Parents are being put in difficult situations, in which some are forced to stay home to support dependents. The government is committed to ensuring that parents and others with dependents do not need to choose between caring for them and paying the bills.

- To be eligible for this program, individuals would need to:
  - Reside in Canada
  - Be at least 15 years of age on the first day of the period in which they apply for the benefit
  - Have a valid social insurance number
  - Be employed or self-employed on the day immediately preceding the period for which the application is made
  - Have earned at least \$5,000 in 2019 or in 2020
  - Have been unable to work for at least 60% of their normally worked schedule work within a given week because they must take care of a child or a family member with disabilities
  - If they must take care of a child who is under 12 years of age on the first day of the period for which the benefit is claimed, the situation must meet one of the following conditions:
    - Because their school or daycare is closed or operates under an alternative schedule for reasons related to the COVID-19 pandemic
    - Who cannot attend school or daycare under the advice of a medical professional due to being at high risk if they contract COVID-19, or
    - Because the caregiver who usually provides care is not available for reasons related to the COVID-19 pandemic
  - If they must take care of a family member with a disability or a dependent, they must meet one of the following conditions:
    - Because their day program or care facility is closed or operates under an alternative schedule for reasons related to the COVID-19 pandemic
    - Who cannot attend their day program or care facility under the advice of a medical professional due to being at high risk if they contract COVID-19, or
    - Because the caregiver who usually provides care is not available for reasons related to the COVID-19 pandemic
  - Not be in receipt of paid leave from an employer in respect of the same week, and



## SUMMARY of Canada and Quebec's COVID-19 Economic Response Plan

- Not be in receipt of the CERB, the EI Emergency Response Benefit (ERB), the Canada Recovery Benefit, the Canada Recovery Sickness Benefit, short-term disability benefits, workers compensation benefit, or any EI benefits or Quebec Parental Insurance Plan (QPIP) benefits in respect of the same week
- Workers would need to apply after the period in which they are seeking support and attest that they meet the requirements. Two members of the same household cannot be in receipt of the benefit for the same period. This benefit is taxable.

## Employment Insurance Benefits

---

For those who have recently applied for EI, the application will automatically be assessed to determine if you are eligible for the CERB

- If you have a new Regular or Sickness EI claim starting March 15, 2020 or after, your benefits will be delivered as part of the Canada Emergency Response Benefit (CERB) program
  - If you have not already applied to EI or CERB, you can contact 1-833-966-2099 for more information on the eligibility criteria
  - If you have already applied for EI or CERB, you can contact 1-833-699-0299 for any additional questions

<https://www.canada.ca/en/services/benefits/ei/notice-covid-19.html>

Effective on September 27, 2020, the government will be transitioning to a simplified Employment Insurance (EI) program.

### Hours credits to enhance access to EI regular benefits and EI special benefits

- Access to EI benefits is usually based on the number of insurable hours an individual has worked in the year prior to their application, or since the last claim. This is known as their qualifying period. However, the government recognizes that the pandemic has prevented many Canadians from accumulating the number of insurable hours that is normally required and is taking action to address this challenge. To help individuals qualify with a minimum of 120 hours of work, EI claimants will receive a one-time insurable hour's credit of:
  - 300 insurable hours for claims for regular benefits (job loss)
  - 480 insurable hours for claims for special benefits (sickness, maternity/parental, compassionate care or family caregiver)
- The hours credit will also be retroactive to March 15, 2020 for claimants who were looking to transition early from the CERB or EI maternity, parental, compassionate care, family caregiver or work-sharing benefits but could not establish their EI claim due to insufficient hours. For these claimants, the qualifying period will also be extended.



## SUMMARY of Canada and Quebec's COVID-19 Economic Response Plan

- The hours credit will be available for new EI claims for one year, in recognition that labour market conditions remain uncertain and will take time to stabilize.

### Minimum EI unemployment rate across Canada

- To help Canadians transition from the CERB back into the EI system and into the labour force, a minimum unemployment rate of 13.1% is being used for all EI economic regions in order to lower the hours required to qualify for EI regular benefits. This measure is effective for one year starting on August 9, 2020. Individuals in EI regions with an unemployment rate lower than 13.1% will have their EI benefits calculated on the basis of a 13.1% rate, while those in regions with a higher rate will have their benefits calculated using the actual higher rate.
- Usually, the **unemployment rate in the region in which a claimant resides** at the time they file their claim determines:
  - The number of hours insurable employment a claimant needs to have accumulated in a qualifying period to be eligible for regular EI benefits – ranging from 420 to 700
  - The number of weeks of EI regular benefits a claimant is entitled to – ranging from 14 – 45
  - The number of best weeks of earnings that will be used to establish their weekly benefit rate – ranging from 14 to 22
- The EI system uses regional employment rates to determine access to EI regular benefits, given that it is generally more difficult for individuals to find new work when unemployment is higher.
- In recognition that the pandemic has negatively impacted labour markets in ways that extend beyond traditional measures of unemployment, this measure will set a uniform eligibility requirement for EI regular benefits at 420 hours of insurable employment (before the hours credit is applied), provide a minimum entitlement of 26 weeks of regular benefits, and set 14 as the number of best weeks of earnings used in the calculation of the weekly benefit rate. Combined with the hour's credits noted above, individuals can qualify for EI with 120 hours of work.

### Minimum benefit rate

- In addition to increasing access to the program, new EI claimants as of September 27, 2020, will receive a minimum benefit rate of \$400



## SUMMARY of Canada and Quebec's COVID-19 Economic Response Plan

per week (or \$240 for extended parental benefits), if this is higher than what their benefits would otherwise be.

- The EI benefit rate is typically based on a worker average weekly earnings before their EI claim.
- However, the COVID-19 pandemic may have had a negative impact on a worker's weekly earnings either because they lost their job or saw their hours of work reduced. The minimum benefit rate of \$400 will reduce the negative impact on EI benefit rates for these workers and align with the weekly benefit rate for the new Canada Recovery Benefit.

<https://www.canada.ca/en/employment-social-development/news/2020/08/supporting-canadians-through-the-next-phase-of-the-economy-re-opening-increased-access-to-ei-and-recovery-benefits.html>

## Incentive Program to Retain Essential Workers

---

This program is for essential workers who meet the criteria below. Eligible workers will receive an additional \$100 per week for up to 16 weeks.

- Eligibility criteria:
  - Work part time or full time in an essential service sector
  - Earn eligible work income of \$550 or less per week
  - Have annual income of at least \$5,000 in 2020 and no more than \$28,600
  - Be at least 15 years of age
  - Were a resident of Quebec on December 31, 2019 and plan to reside in Quebec throughout 2020

<https://www.revenuquebec.ca/en/coronavirus-disease-covid-19/faq-for-individuals/>



## SUMMARY of Canada and Quebec's COVID-19 Economic Response Plan

### Canada Emergency Student Benefit

---

According to the government of Canada, in March 2020, the number of employed post-secondary students has dropped by 28% from February. As a result, the government implemented the Canada Emergency Student Benefit (CESB) program to financially support students. The government is committed in supporting students overcome these challenges while continuing to succeed in their studies.

- The CESB provides \$1,250 per month to eligible students from May to August 2020
- Students with dependents and/or permanent disabilities are entitled to \$2,000
  - this program is for students who do not qualify for the CERB or EI
- Note: This program ends August 29, 2020. All applications for the CESB must be submitted before September 30, 2020.

<https://www.canada.ca/en/revenue-agency/services/benefits/emergency-student-benefit.html>

### EI Work Sharing Agreements

---

The EI Work Sharing program assists employers and employees facing lay-offs due to a decline in production.

- With the work sharing agreement, available work is redistributed through a voluntary reduction in hours worked by all employees within one or more work units
- This enables the employer to retain a full work force on a reduced work week, rather than laying off part of his or her work force
- Employees are able to remain on the job and maintain skills and working habits and avoid uncertainties and hardship associated with total unemployment.
- This duration has now been extended from 38 to 76 weeks across Canada

<https://www.canada.ca/en/employment-social-development/services/work-sharing.html>



**SUMMARY of  
Canada and Quebec's  
COVID-19 Economic  
Response Plan**

## One-time tax-free payment for Seniors

---

To help seniors through these challenging times, the government has introduced an incentive for seniors.

- This incentive will be done through a one-time payment:
  - \$300 for seniors eligible for the Old Age Security pension
  - An additional \$200 for seniors eligible for the Guaranteed Income Supplement
- This measure will give a total of \$500 to seniors who receive both the Age Security pension and the Guaranteed Income Supplement and will help them cover increased costs caused by COVID-19.
- Eligibility:
  - Seniors who have received the Old Age Security pension or the Guaranteed Income Supplement in June 2020
  - When an individual defers the old Age Security pension in exchange for a higher monthly amount, they are not eligible for the pension, thus are not eligible for the tax-free payment
- No applications are required
- The one-time payment for seniors will be paid to the bank account if the individual is enrolled for direct deposit.
- A one-time separate payment was issued during the week of July 6, 2020. If you reside in Canada, you should have received the payment that week.
- For more information visit the following link

<https://www.canada.ca/en/services/benefits/publicpensions/notice-covid-19/one-time-payment.html>



## INCENTIVES FOR AGRICULTURAL PRODUCERS

### Farm Credit Canada

---

**Due to the pandemic, Farm Credit Canada (FCC) has set in place many new measures and has increased the funding's available to farmers and the Agri-sector.**

- As of March 23, the government increased FCC lending capacity to \$5B
- Some of the measures FCC has put in place to help their clients:
  - A deferral of principal and interest payments up to six months on existing loans; or
  - A deferral of principal payments up to 12 months
  - Access to additional credit up to \$500,000 secured by general security agreements (Quebec only)
- Term loans for variable customers:
  - Term loans up to \$2.5M with no fees and an 18-month interest-only option over a 10-year amortization – these funds are to be used for working capital and to modify production as a result of the impacts from COVID-19
- The Minister of Agriculture and Agri-Food, Marie-Claude Bibeau, announced the launch of a \$100-million Agriculture and Food Businesses Solutions Fund on behalf of Farm Credit Canada.
  - This will help support proven, viable companies through business disruptions during the pandemic
  - This was launched in partnership with Forage Capital Inc.
  - It was set up to provide companies with the financial stability and flexibility they need to rebuild their business models during these challenging times
  - For more information on the application process, you will need to contact Forage Capital Inc.

<http://www.foragecapitalpartners.com>

<https://www.fcc-fac.ca/en/covid-19.html>



## SUMMARY of Canada and Quebec's COVID-19 Economic Response Plan

### Advance Payments Program

---

The Advance Payments Program (APP) which is a federal loan guarantee program, provides eligible farmers with easy access to low-interest cash.

- Farmers with an outstanding Advance Payment Program (APP) loan due before May 1 have an additional six months to repay the loan
  - Farmers who still have interest-free loans outstanding have the opportunity to apply for an additional \$100K interest-free portion for 2020-2021 provided that their total APP advances remain under \$1M
- <http://www.agr.gc.ca/eng/agricultural-programs-and-services/advance-payments-program/?id=1462198969862>

### La Financiere Agricole

---

La Financière Agricole du Quebec is also taking on measures to help the agriculture industry in these difficult times. Here is what they are doing to help:

- Offering a six-month moratorium on loan repayments to clients who request it
  - The enrolment date for the **Crop Insurance Program** is extended from April 30 to May 31, 2020.
  - Notices of assessment are extended from June 1 to July 1, 2020.
- <https://www.fadq.qc.ca/en/news-room/news/details/la-financiere-agricole-du-quebec-implements-new-measures-to-support-agricultural-producers/>

### Government of Canada Actions

---

On May 5, 2020, Justin Trudeau announced an additional \$252M in financial assistance for Canada's agriculture industry. Many farmers are raising livestock for a longer period than usual which can be very expensive, and those in the food processing industries are also experiencing difficulties trying to keep operations running. The government is aware that this is very essential sector and is committed to helping farmers and the agri-sector.

- The \$252M will be divided into 3 categories:
    - \$77M to support the food processors;
    - \$125M to AgriRecovery for beef and pork producers; and
    - \$50M to launch a Surplus Food Purchase program that would help redistribute unsold produce to local food banks
  - The Canadian Federation of Agriculture has asked for \$2.6B in emergency assistance – Trudeau's response to this is that this is just a start and he will continue to work with this sector to provide them with the help needed
  - For more information on where these funds are going to, visit the link below
- <https://pm.gc.ca/en/news/news-releases/2020/05/05/supporting-canadas-farmers-food-businesses-and-food-supply>