



The **Government of Ontario** has rolled out a number of programs to help businesses with financial aid and assistance to navigate through the COVID-19 pandemic.

### ❑ Employer Health Tax (EHT) Change In Exemption Rate

On March 25, 2020, the Ontario government announced it is increasing the Employer Health Tax (EHT) exemption for 2020 from \$490,000 to \$1 million due to the special circumstances caused by the coronavirus (COVID-19) in Ontario. Only the exemption amount is changing; eligibility for the tax exemption, tax rates and everything else remains the same. Please refer the link below for more details.

*For more information: <https://www.fin.gov.on.ca/en/bulletins/eh/eh-exemption-2020.html>*

### ❑ WSIB's Financial Relief Package

The Workplace Safety and Insurance Board financial relief package allows businesses to defer premium reporting and payments until August 31, 2020. Businesses who report and pay monthly, quarterly or annually based on their insurable earnings are eligible for this deferral.

The following payments are eligible for deferral:

- **Monthly:** March 31, April 30, May 31, June 30, July 31, Aug 31
- **Quarterly:** April 30, July 31
- **Annual:** April 30

The relief package also applies to Schedule 2 organizations – publicly funded organizations (municipalities, hospitals, school boards), and other businesses who are involved in federally regulated industries. All payment obligations (weekly and monthly) for Schedule 2 businesses will be deferred until August 31, 2020.

No interest will accrue on outstanding premium payments for Schedule 1 businesses and no penalties will be charged during this six-month deferral period. Schedule 2 account balances will not accrue debit interest as part of the financial relief package.

Also, costs associated with COVID-19 related claims will not be allocated at an employer or class level. Instead, they will be allocated on a Schedule-wide basis and there will be no change in premium rates for 2020.

*For more information: <https://www.wsib.ca/en/financialrelief>*

## ❑ Tax Deferral Programs By Province Of Ontario

Starting from the 1st of April 2020 to August 31,2020, the Province of Ontario will not levy any interest or penalty on late payments on selected provincially administered taxes, such as the Employer Health Tax, Tobacco Tax and Gas Tax. This is intended to complement the tax deferral holiday provided by the Federal Government.

The **Federal Government** to introduced programs to offer relief to businesses -

## ❑ Canada Emergency Wage Subsidy

On March 30, 2020 the Federal Government announced it will launch a wage subsidy program. The wage subsidy is available to any business, regardless of size, including a non-profit or charitable institution, but will not apply to a public body. According to the Government, the wage subsidy is meant to encourage an employer to maintain employees on payroll even if there is a reduction in work.

An eligible employer will be entitled to a subsidy of up to 75% of an employee's wages (to a maximum of \$847 per week), for the period March 15, 2020 to June 6, 2020. An employer is to make best efforts to "top up" an employee's salary or wages to the pre-pandemic rate.

To be eligible for the wage subsidy in any given month, a business must demonstrate it has experienced a gross revenue decline of at least 30% when compared to the same month in 2019.

*For more information: <https://www.canada.ca/en/department-finance/economic-response-plan/wage-subsidy.html>*

## ❑ Temporary Wage Subsidy

The Temporary Wage Subsidy for Employers program is a three-month measure to allow an eligible employer to reduce the amount of its payroll deductions required to be remitted to the CRA. It is in effect from March 18, 2020 to June 20, 2020. The subsidy is equal to 10% of the remuneration an employer pays between March 18, 2020, and June 20, 2020, to a maximum of \$1,375 per employee and \$25,000 per employer.

If an employer is eligible for the Temporary Wage Subsidy and the Canada Emergency Wage Subsidy for any period, the benefit from the Temporary Wage Subsidy for remuneration paid in that specific period will generally reduce the amount available to be claimed under the Canada Emergency Wage Subsidy for that period.

*For more information: <https://www.cpacanada.ca/en/business-and-accounting-resources/taxation/blog/2020/april/temporary-wage-subsidy>*

## ❑ Income Tax Deferral

The Canada Revenue Agency will allow a taxpayer (business or individual) to defer, until after August 31, 2020, the payment of income tax that becomes owing on or after March 18, 2020 and before September 2020. This relief will apply to tax balances due, as well as instalments, under Part I of the Income Tax Act. No interest or penalties will accumulate on these amounts during this period. In addition, the deadline for filing of individual tax returns has been deferred to June 1, 2020.

## ❑ GST/ HST Remittance Deferral

The Canada Revenue Agency will allow a business or self-employed individual to defer GST/HST remittances to June 30, 2020. This will apply to monthly remittances for the February, March and April reporting periods, quarterly remittances for the January 1, 2020 to March 31, 2020 reporting period and annual remittances otherwise due in March, April or May 2020.

The CRA has provided a detailed FAQ to help understand this deferral better click on this link to know more: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-gst-hst.html>

## ❑ Canada Emergency Business Account

It's a \$40,000 government-guaranteed loan to help eligible business pay for operating expenses, payroll and other non-deferrable expenses which are critical to sustain business continuity.

- Until December 31, 2020 the Canada Emergency Business Account will be funded as a \$40,000 revolving line of credit (LOC) and is available through your primary financial institution.
- After December 31, 2020, any outstanding balance on the LOC will be converted into a 5-year term loan maturing on December 31, 2025, at which time the balance must be paid in full.
- No interest applies until January 1, 2023.
- Commencing on January 1, 2023, interest accrues on the balance of the term loan at the rate of 5% per annum, payable monthly on the last day of each month.
- If you pay 75% of the balance of the term loan (as at January 1, 2021), on or before December 31, 2022, the remaining balance of your term loan will be forgiven. For example, if your balance is \$40,000 on January 1, 2021 and you repay \$30,000 on or before December 31, 2022, the remaining \$10,000 will be forgiven.
- If you do not repay 75% of the balance of the term loan (as at January 1, 2021) on or before December 31, 2022, the full loan balance and all accrued and unpaid interest will be due and payable on December 31, 2025.