

COVID-19 ECONOMIC RESPONSE PLAN

WAGE SUBSIDIES - BUSINESSES

Updated April 6, 2020

Program/ Action	Timeline	Benefit	How	Comments
Canada Emergency Wage Subsidy	Will cover payroll for March 15 to June 6 Application date not announced; Funding expected to be available in mid-May	75% of eligible payroll paid during qualifying period; Max of \$847/week per employee; No maximum number of employees or overall maximum per employer	Is intended to cover 75% of regular wages/salaries/ benefits (not including severance/stock options/ some benefits) at “pre-crisis” levels New employees can qualify, non-arm’s length employees subject to restrictions Eligible employers are taxable corporations, NPOs, Charities and individuals who have at least 30% decrease in arm’s length revenue over prior year Application period cover 3 separate time periods for qualification and payroll payments	Originally announced March 27, final details will not be announced until Parliament can approve a final structure for the program All information presented is subject to potential change/clarification Applications are expected to be handled through CRA My Business Account – register here Benefits will be reduced by any amount received under Temporary Wage Subsidy already claimed
Temporary Wage Subsidy	Currently available to be claimed, No application necessary	10% of eligible payroll paid during March 18 to June 19 Max of \$1,375 per eligible employee and \$25,000 per employer	Wages/salaries/other remuneration paid to individuals employed in Canada Employer is individual, NPO, Charity, Canadian Controlled Private Corporation eligible for the Small Business Deduction, or partnership where all partners are the above Employer had an existing CRA Business Number and payroll account at March 18, 2020	Subsidy is calculated at 10% of eligible payroll and reduces the related payroll remittance otherwise required to be remitted (no deferral on remittances) Can only reduce the income tax withholding portion of the remittance, CPP and EI must be remitted in full, but excess subsidy carries over If subsidy not claimed now, employer may be able to receive a refund at year end

COVID-19 ECONOMIC RESPONSE PLAN
REDUCING CASH OUTFLOWS – BUSINESSES

Updated April 6, 2020

Program/ Action	Timeline	Benefit	How	Comments
Deferral of corporate income tax payments and instalments	Effective from March 18 to August 31	Payments deferred to September 1 without interest or penalties	No application required Amounts for corporate income taxes owing on T2 returns filed, and on corporate tax instalments, due on or after March 18 will not attract penalties or interest if paid by September 1	Appears to only apply to taxes owing under Part I of the Income Tax Act, and only to new amounts owing March 18 or later so earlier amounts owing or corporate instalments not made not included
Deferral of GST payments and instalments	Effective from March 27 to June 30	Payments deferred to June 30 without interest of penalties	No application required Amounts for GST owing on returns filed, and on GST instalments, due on or after March 27 will not attract penalties or interest if paid by June 30	Canada.ca information link here
Deferral of Sask PST payments	Effective for payments due for February, March and April	Payments can be deferred to July 31 without interest or penalties	No requirement to submit application Waiver of interest and penalties is automatic if amounts paid, or payment plan arranged with Sask Finance, by July 31	Sask Finance Information Notice available for download through link here
Deferral of loan payments from many lenders	Programs in place at various institutions currently	Deferral of payments – interest or principal or both, for 1 to 12 months	Participating lenders include: BDC, Major banks and credit unions and FCC Potentially applicable to mortgages, business loans, lines of credit, credit cards	Interest will generally continue to accrue on unpaid balance during payment deferral period and is subject to repayment later
Deferral of Saskatchewan Utilities	Waiver may apply automatically, but please review your specific suppliers to ensure no further action is needed	Waiver of late payment charges on utilities for up to 6 months	Each Utility service has different processes for deferral, please refer to their website for details on your specific situation NOTE – previously implemented automatic payments will not stop without instruction	Saskatchewan Crown Utilities (SaskTel, SaskPower, SaskEnergy, SaskWater), as well as Cities of Saskatoon and Regina, and potentially others
Deferral of Saskatchewan property taxes	Automatic extension of regular June 30 payment date for 2020 property taxes	No penalties assessed if full payment made by Sept 30, 3 month deferral from June 30 deadline	Tax notices will be issued as in the past, but penalties will not be applied if amounts are paid by September 30 NOTE – TIPPS automatic payments will not stop without instruction	Applies to Cities of Saskatoon and Regina, may apply to additional jurisdictions with different processes or deferrals. Review specific taxing authorities to determine applicability.

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BUSINESS CREDIT AVAILABILITY PROGRAM AND RELATED LOAN PROGRAMS – BUSINESSES

Updated April 6, 2020

Program/ Action	Timeline	Benefit	How	Comments
Canada Emergency Business Account	Application process expected to be available week of April 6 at major financial institutions	Maximum interest-free, government-backed loan of \$40,000 with potential for 25% to be forgiven	Eligible businesses or NPOs must demonstrate 2019 total payroll of \$50,000 - \$1,000,000 and be active Use of funds must be for covering operating costs Business will apply with their primary banking partner directly	Full details have not been finalized between the government and the banking industry – review your principal banking website for up-to-date information Eligibility for 25% loan forgiveness is linked to repayment of remainder of loan by Dec 31, 2022
SME Loan and Guarantee Program	Application process expected to be available week of April 6 at major financial institutions	Maximum of \$6.25M loan at commercial interest rates with 10 year repayment	A Co-Lending program between the business primary banking partner and Business Development Bank of Canada Eligibility criteria and acceptance based on business metrics Purpose of funds to maintain business operations	Full details have not been finalized, application process starts with primary banker BDC acceptance and repayments terms generally less rigorous than financial institutions so program attempts to bring more availability with lower interest rates
Business Development Bank of Canada loans	Applications can be made to BDC through their website	Loans from \$100,000 to \$2M with 12 months deferred principal payments and reduced interest rate	Increased availability for financing due to Government provision of capital for lending 3 year term - 12 months of deferred principal, 24 months to repay 40% of principal, 60% principal paid or refinanced at maturity Interest rates reduced from normal BDC rate	The purpose of these loans is to provide funding for business operations – operating building, equipment, working capital, technology, significant purchase order – and is subject to approvals and provision of business financial information
Addition loan programs	Enquiries can be made with financial institutions and lenders at any time	Ability to increase current lending limits or reduce interest rates	Individual financial institutions and lenders are providing different options for various situations Contact your lender to enquire	Federal government has provided additional access to capital to financial institutions for lending, however still subject to approval process
Increased financing from Farm Credit Canada	Applications can be made to FCC currently	Additional credit line up to \$500,000	Normal FCC lending approval process is required, but additional funds have been provided for lending	Contact information and FAQs here