



Government of Canada COVID-19: Overview of Measures



Over the last several weeks, the Trudeau government has announced a series of measures to address the effects of the COVID-19 pandemic. Outlined below is a chronological overview of the key elements of these economic stimulus measures.

March 21/22, 2020

- Announcement that foreign workers will be exempted from new travel restrictions under the Temporary Foreign Worker Program.
- Entry to be allowed with the stipulation that they must self-isolate for 14 days.

March 23, 2020

\$82-billion aid package that will provide direct support to Canadians and businesses facing hardship (\$27.4 billion in direct support to workers and businesses plus \$55 billion via tax deferrals). Of note:

- Increasing credit available for farmers and the agri-food sector through Farm Credit Canada including \$173 million in deferred loans. Stay of Default will also provide farmers the flexibility they need to manage their cashflow when facing lower prices or reduced marketing opportunities. Applicable farmers who still have interest-free loans outstanding will have the opportunity to apply for an additional \$100,000 interest-free portion for 2020-2021, as long as their total APP advances remain under the \$1 million cap;
- Allowing businesses, including self-employed individuals, to defer all Goods and Services Tax/Harmonized Sales Tax (GST/HST) payments until June, as well as customs duties owed for imports;
- Launching the new Canada Emergency Business Account. (CEBA). This program will provide up to \$25 billion to eligible financial institutions so they can provide interest-free loans to small businesses, including not-for-profits;
- Launching the new Small and Medium-sized Enterprise Loan and Guarantee program that will enable up to \$40 billion in lending, supported through Export Development Canada and Business Development Bank, for guaranteed loans when small businesses go to their financial institutions to help weather the impacts of COVID-19;
- Extending the maximum duration of the Work-Sharing program, from 38 weeks to 76 weeks, for workers who agree to reduce their normal working hours because of developments beyond the control of their employers;
- Deferring the payment of income taxes: allowing all taxpayers to defer, until August 31, 2020, the payment of income tax amounts that become owing on or after March 18 and before September 2020;
- 10 per cent wage subsidy for the next 90 days, up to a maximum of \$1,375 per employee and \$25,000 per employer;
- Emergency Care Benefits for workers (without EI sickness benefits) who are quarantined, sick, self-isolated or caring for family AND Emergency Support Benefits for workers not eligible to EI and facing unemployment (including those self-employed and those forced to close shop due to the virus).

April 1, 2020

Details released on the new New Canada Emergency Wage Subsidy:

- To apply at a rate of 75 per cent of the first \$58,700 normally earned by employees – representing a benefit of up to \$847 per week. The program would be in place for a 12-week period, from March 15 to June 6, 2020;
- Eligible employers who suffer a drop in gross revenues of at least 30 per cent in March, April or May, when compared to the same month in 2019, would be able to access the subsidy;

- Eligible employers would include employers of all sizes and across all sectors of the economy, with the exception of public sector entities;
- For non-profit organizations and registered charities similarly affected by a loss of revenue, the government will continue to work with the sector to ensure the definition of revenue is appropriate to their circumstances;
- An eligible employer's entitlement to this wage subsidy will be based entirely on the salary or wages actually paid to employees -- all employers would be expected to at least make best efforts to top up salaries to 100% of the maximum wages covered.

April 2, 2020

The Government of Canada (GoC) identified a set of functions deemed essential in the context of the COVID-19 pandemic. This list has been developed as a guide to provinces/ territories and municipalities as they implement measures to manage COVID-19 while continuing to ensure the reliable operation of critical infrastructure. Those considered essential include:

- Workers supporting groceries or other outlets that sells food and beverage products;
- Restaurant employees necessary to support take-out and food delivery operations;
- Food manufacturer employees and their supplier employees—to include those employed in food processing (packers, meat processing, fish processing, cheese plants, milk plants, produce, etc.) facilities; livestock, poultry, fish and seafood, slaughter facilities; pet and animal feed processing facilities; human food facilities producing by-products for animal food; beverage production facilities; and the production of food packaging;
- Workers including those employed in animal food, feed, by-product and ingredient production, processing, packaging, and distribution; manufacturing, packaging, and distribution of veterinary drugs; truck delivery and transport; farm and fishery labor needed to harvest and produce our food supply domestically;
- Agriculture and aquaculture workers ;
- Employees and firms supporting food, feed, and beverage distribution;
- Workers supporting the sanitation of all food manufacturing processes and operations from wholesale to retail;
- Workers in food testing labs;
- Employees of companies engaged in the production of chemicals, medicines, vaccines, and other substances used by the food and agriculture industry, including pesticides, herbicides, fertilizers, minerals, enrichments, and other agricultural production aids;
- Animal agriculture workers to include those employed in veterinary health; manufacturing and distribution of animal medical materials, animal vaccines, animal drugs, feed ingredients, feed, and bedding, transportation of live animals, animal medical materials, transportation of deceased animals for disposal, raising of animals for food, animal production operations, slaughter and packing plants and associated regulatory and government workforce, including provincial, territorial and federal inspectors;
- Employees engaged in the manufacture and maintenance of equipment and other infrastructure necessary to agricultural, aquaculture, and fishery production and distribution.

April 8, 2020

- The Canada Emergency Wage Subsidy is now available to eligible employers that see only a drop of 15 per cent of their revenue from March 2019 or from January or February 2020. For subsidies for April or May the revenue drop will be required to be 30%.

April 13, 2020

- Commitment of \$50 million in support for farmers and food and seafood processors in hiring temporary foreign workers (TFWs). Given that all TFW's entering Canada must now go through a mandated 14 day quarantine, the GoC will provide employers with \$1 500 per worker to help offset costs during that period.

The \$1,500 per worker can be used to support TFW salaries or appropriate accommodation for the quarantine period. Funding is conditional on employers not being found in violation of the mandatory 14-day isolation protocols or any other public health order.

April 14, 2020

- The GoC will provide \$20 million to boost to the budget of the Canadian Food Inspection Agency to support food inspection activities during the COVID-19 crisis.
- The investment will allow/support the CFIA to:
 - hire, train, and equip additional staff (including recently retired CFIA inspectors and veterinarians) to conduct critical inspection activities;
 - reassign staff from within the Agency to focus on critical services;
 - work closer with industry and trading partners to minimize supply disruptions;
 - develop flexible ways to carry out inspections, including through the expanded use of electronic tools such as tablets and access to the CFIA's remote service delivery network;
 - train provincial food inspectors so they can provide assistance to the CFIA as needed;
 - in some provinces, train CFIA inspectors to support provincial food inspection activities.

April 15, 2020

- Part-time and seasonal workers will now be eligible to claim the \$2,000 Canada Emergency Response Benefit (CERB). Workers who are earning up to \$1,000 a month, such as contract or gig economy workers, or who have seasonal employment and cannot find a job due to COVID-19, as well as those who are running out of employment insurance, can now apply to collect the CERB for up to four months.
- The wage top-up for essential workers will increase the pay for people who make less than \$2,500 a month in essential jobs, such as caring for elderly or vulnerable people.

April 16, 2020

- A new rent assistance program for businesses and plans to loosen the criteria needed for small- and medium-sized companies to qualify for a loan were the last items introduced this week. A new Canada Emergency Commercial Rent Assistance program will help small businesses cover their rents for April, May, and June 2020. The assistance is being rolled out in collaboration with the provinces and territories as it is within their jurisdictions.
- The opening up of the eligibility criteria the CEBA a program targeted at small- and medium-sized businesses, offers government-guaranteed loans of up to \$40,000 to cover the costs of keeping their enterprise afloat during the COVID-19 crisis. If the company can repay the balance of the loan by the end of 2022, up to \$10,000 will be forgiven. The current eligibility requires applicants to prove that they paid between \$50,000 and \$1 million in payroll in 2019. Now, companies who paid between \$20,000 and \$1,500,000 in total payroll in 2019 will be eligible to receive a loan.

April 17, 2020

- Announcement of \$962 million investment in regional development agencies and the Community Futures Network that, Trudeau said, will aid small businesses' employees in rural areas that may not have access to traditional financial institutions for previous subsidies.

April 24, 2020

- The federal government announced it has reached an agreement with provinces and territories to implement the Canada Emergency Commercial Rent Assistance (CECRA) for small businesses. This program will lower rent by 75 per cent for small businesses that have been affected by COVID-19.

May 5, 2020

The federal government announced steps to support the agriculture and agri-food sectors. The \$252 million investment will support farmers, food businesses and food processors. Also announced was an additional \$200 million in borrowing capacity for the sector. Specifically, the federal government will:

- Create a \$77.5 million Emergency Processing Fund to help food producers access more personal protective equipment (PPE), adapt to health protocols, automate or modernize their facilities, processes, and operations, and respond to emerging pressures from COVID-19.
- Launch national AgriRecovery initiatives of up to \$125 million in funding to help producers faced with additional costs incurred by COVID-19. This includes set-asides for cattle and hog management programs to manage livestock backed-up on farms, due to the temporary closure of food processing plants. This new federal funding will help beef and pork producers and processors adapt to a changing market, and help farmers and ranchers keep their animals longer before marketing.
- Announced the intention to increase the Canadian Dairy Commission's borrowing limit by \$200 million to support costs associated with the temporary storage of cheese and butter to avoid food waste.
- Launch a first-ever *Surplus Food Purchase Program* with an initial \$50 million fund designed to help redistribute existing and unsold inventories, which could include products such as potatoes and poultry, to local food organizations who are serving vulnerable Canadians.
- Work with provinces and territories to increase interim payments from 50% to 75% through AgriStability, a federal, provincial and territorial program that supports producers who face significant revenue declines (this change has already been enacted in some provinces)
- Work with provinces and territories to explore possibilities for expanding the AgriInsurance program to include labour shortages as an eligible risk for the horticulture sector. This work with provincial and territorial partners would insure against lost production due to an insufficient workforce, should producers be unable to find enough labour to harvest.

May 11, 2020

Trudeau announced new measures to support businesses so they can keep their workers on the payroll throughout the pandemic. The funding will:

- Establish a Large Employer Emergency Financing Facility (LEEFF) to provide bridge financing to Canada's largest employers, whose needs during the pandemic are not being met through conventional financing. LEEFF will follow key guiding principles including: protection of taxpayers and workers, fairness and timeliness.
- Expand the Business Credit Availability Program (BCAP) to mid-sized companies with larger financing needs. Support for mid-market businesses will include loans of up to \$60 million per company, and guarantees of up to \$80 million. Through the BCAP, Export Development Canada (EDC) and the Business Development Bank of Canada (BDC) will work with private sector lenders to support access to capital for Canadian businesses in all sectors and regions.
- Continue to provide financing to businesses through Farm Credit Canada, the BDC, and EDC, including through the Canada Account. This will ensure the government is able to respond to a wide range of financing needs, including for some large employers facing higher risks, with stricter terms in order to adequately protect taxpayers.

May 19

The government announced the expansion of the eligibility to the Canada Emergency Business Account to address concerns raised by farmers that the program did not work due to payroll criteria.

The eligibility to ensure farmers without payroll can now access the \$40,000 interest-free loan available under CEBA – up to \$10,000 of which is forgiven if the rest is repaid by December 31, 2022.

To qualify under the expanded eligibility criteria, applicants with payroll lower than \$20,000 would need:

- a business operating account at a participating financial institution;
- a Canada Revenue Agency business number, and to have filed a 2018 or 2019 tax return;
- eligible non-deferrable expenses between \$40,000 and \$1.5 million. Eligible non-deferrable expenses could include costs such as rent, property taxes, utilities, and insurance.

May 21

The Canadian Food Inspection Agency put in place a temporary Ministerial Exemption process that will permit the interprovincial movement of meat and poultry products from establishments that are not federally licensed if such trade becomes necessary to alleviate meat shortages during the COVID-19 pandemic.

To initiate the process, food businesses experiencing a shortage are asked to reach out to their provincial or territorial authority to determine if the situation requires the issuance of an Ministerial Exemption and obtain all information about the application process.

The restriction on the interprovincial sale of meat from provincially licensed establishments has been a longstanding issue at the Federal/Provincial/Territorial negotiating table as it has a number of domestic and international trade implications.

Full details are in the link below.

<https://www.inspection.gc.ca/covid-19/cfia-information-for-industry/temporary-ministerial-exemption/eng/1590085149461/1590085150008>

May 26

The government announced that the Youth Employment and Skills Program will provide a wage subsidy to employers who hire youth for agricultural jobs. The program offers support for 50% of wages to a maximum of \$14,000. Additionally, the program offers 100% of costs for relocation to a maximum of \$5,000 if the employee must relocate for the position.

Employers can apply on or after May 26, 2020 for their project to be considered.

If approved, the following employers are eligible to receive 80% of total eligible costs, up to a maximum of \$14,000:

- Indigenous individuals or organizations
- Employers who hire a youth facing barrier(s) (section 2.2 of Applicant guide)

For youth facing barriers, an additional \$5,000 is available to cover the costs of addressing these employment barriers.

Applications will be reviewed on a first-come, first-served basis as long as funds are available.

May 29

The government announces details of a \$962 million Regional Relief and Recovery Fund (RRRF). The program is intended to provide support to business owners and organizations that have not been able to access other federal emergency support measures. The Regional Relief and Recovery Fund will address gaps left by other support measures.

You must first apply for other federal support measures such as the Canada Emergency Business Account benefit, the Wage Subsidy benefit and the Commercial Rent assistance for small businesses, among others. Applicants are required to attest that they applied for other federal benefits and were approved, rejected or deemed ineligible.