



Good afternoon. Following is an update of the Federal and Provincial Support Programs that have been announced for businesses and individuals to deal with the impacts of COVID-19. Federal initiatives for businesses and individuals are first, followed by Provincial initiatives. Before moving into these details, there are 2 messages that I would like to pass along to the industry – first, thank you to all of you that responded to the survey sent out from the OCFA last Friday regarding COVID-19. We received 65 completed surveys and this represents a significant response from the industry. Your input is important and we will keep you informed of how we are moving forward. Secondly, the OCFA Board of Directors and staff are doing their best to monitor the situation, represent the needs of industry to government, and keep its’ members informed as the COVID-19 situation unfolds. Please do not hesitate to contact me if you have any comments or questions. The best place to reach me is on my cell phone at 519-658-3270.

This is the best information that we have right now. We will provide any updates as new information becomes available.

Jane

FEDERAL and PROVINCIAL GOVERNMENT INITIATIVES IN RESPONSE TO COVID-19

FEDERAL GOVERNMENT INITIATIVES	
<u>For Businesses</u>	
Canada Emergency Wage Subsidy (CERB)	<ul style="list-style-type: none"> • Applies to <u>all</u> companies who’s revenue has decreased by at least 30% - this is based on revenues by month compared to the same month in the previous year and you must apply every month • # of employees does not matter • Government will cover up to 75% of the 1st \$58,700 translating to up to \$847/week • Retroactive to March 15th • Businesses will need to attest that they are doing everything they can to pay the remaining 25% • Applications to be made to the CRA portal which is soon to be launched with funds available in 6 weeks • Severe penalties for fraudulent use of the program
Extending the Work Sharing Program	The Federal Government is extending the maximum duration of the Work-Sharing program from 38 weeks to 76 weeks. The Work-Sharing program is offered to workers who agree to reduce their normal working hours because of developments beyond the control of their employers.
Business Credit Availability Programs	<p>The Federal Government established a Business Credit Availability Program (BCAP) to provide \$65 billion of additional support through the Business Development Bank of Canada (BDC) and Export Development Canada (EDC). These programs will roll out in the three weeks after March 27, and interested businesses should work with their current financial institutions.</p> <p>The programs include:</p> <p><i>Canada Emergency Business Account</i> The new Canada Emergency Business Account will provide interest-free</p>

	<p>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. \$10,000 of the loan may be forgiven under certain circumstances. To qualify, organizations will need to demonstrate they paid between \$50,000 to \$1 million in total payroll in 2019.</p> <p><i>Loan Guarantee for Small and Medium-Sized Enterprises</i> EDC is working with financial institutions to issue new operating credit and cash flow term loans of up to \$6.25 million to SMEs.</p> <p><i>Co-Lending Program for Small and Medium-Sized Enterprises</i> 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.</p>
<p>More Time to Pay Income Taxes</p>	<p>The Federal Government 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 instalments, under Part I of the <i>Income Tax Act</i>.</p> <p>No interest or penalties will accumulate on these amounts during this period.</p>
<p>Deferral of Sales Tax Remittance and Customs Duty Payments</p>	<p>The Federal Government will allow businesses, including self-employed individuals, to defer until June 30, 2020 payments of the Goods and Services Tax / Harmonized Sales Tax (GST/HST), as well as customs duties owing on their imports.</p> <p>The deferral will apply to GST/HST remittances for the February, March and April 2020 reporting periods for monthly filers; the January 1, 2020 through March 31, 2020 reporting period for quarterly filers; and for annual filers, the amounts collected and owing for their previous fiscal year and instalments of GST/HST in respect of the filer’s current fiscal year.</p> <p>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 this month.</p>
<p><u>Federal Support for Individuals and Families</u></p>	
<p>The new Canada Emergency Response Benefit (CERB)</p>	<ul style="list-style-type: none"> • Support for people facing unemployment • Support for people who are sick, quarantined, or in directed self-isolation • Support for people who are unable to work <p>The Federal Government will provide a taxable benefit of \$2,000 a month for up to 4 months to:</p> <ul style="list-style-type: none"> • workers who must stop working due to COVID-19 and do not have access to paid leave or other income support. • workers who are sick, quarantined, or taking care of someone who is sick with COVID-19.

	<ul style="list-style-type: none"> • working parents who must stay home without pay to care for children that are sick or need additional care because of school and daycare closures. • workers who still have their employment but are not being paid because there is currently not sufficient work and their employer has asked them not to come to work. • wage earners and self-employed individuals, including contract workers, who would not otherwise be eligible for Employment Insurance.
Increasing the Canada Child Benefit	The Federal Government is providing 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 Canada Child Benefit do not need to re-apply.
Special Goods and Services Tax credit Payment	The Federal Government is providing a one-time special payment by early May 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 Federal Government is deferring the filing due date for the 2019 tax returns of individuals. For individuals (other than trusts), the return filing due date will be deferred until June 1, 2020. The Federal Government will also allow any new income tax balances due, or instalments, to be 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. 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 allows flexibility to be available – when needed – to those who need it the most. Contact your financial institution for further mortgage assistance.
Reduced minimum withdrawals for Registered Retirement Income Funds	The Federal Government is reducing the required minimum withdrawals from Registered Retirement Income Funds (RRIFs) by 25% for 2020.
A moratorium on the repayment of Canada Student Loans	Effective March 30, we are placing a six-month interest-free moratorium on the repayment of Canada Student Loans for all student loan borrowers. No payment will be required and interest will not accrue during this time. Students do not need to apply for the repayment pause.
PROVINCIAL GOVERNMENT INITIATIVES	
Note: I have spoken directly to the Minister of Natural Resources & Forestry and followed up with his staff requesting a relief in Royalties for the Ontario commercial fishery. I will keep you up-to-date on any decision.	
Provincial Government initiatives were announced in ‘Ontario’s Action Plan: Responding to COVID-19’ on March 25 th by Finance Minister Rod Phillips. The Plan includes:	

- **\$6B in Tax Relief for Businesses.** The Government will provide five months of interest and penalty relief on the majority of provincial taxes applicable to businesses.
- **\$1.9B WSIB Deferment.** This money will go to the Workplace Safety and Insurance Board (WSIB) to allow employers to defer their payments by up to six months.
- **\$1.8B School Tax Deferment.** The upcoming June 30 deadline for municipal remittance of education property tax will be deferred by 90 days. This will enable municipalities to pass this deferral along to businesses and residents.
- **\$1.5B in Electricity Cost Relief.** Eligible farm and small business consumers will see more affordable electricity bills thanks to a \$1.5B increase in 2020-21 cost relief programs. In addition, these groups will now pay the lowest available rate for their electricity consumption for a period of 45 days.
- **\$355M in EHT Tax Cuts.** This change would make 90% of all Ontario private-sector employers eligible to not pay the Employer Health Tax (EHT) in 2020.
- **\$200M for Research and Innovation.** This money will go to research institutions, industry, and nonprofit scientific partners to develop tools and resources to combat COVID-19 and related diseases.
- **\$148M for the Nonprofit Sector.** Charities and nonprofit social services organizations, including food banks, homeless shelters, churches, and emergency services, will receive this money to support their capacity to respond to the pandemic. Funding will be allocated directly through the Consolidated Municipal Service Managers and District Social Service Administration Boards.
- **\$100M for Skills Training.** Employment Ontario will provide skills training programs for workers affected by the outbreak.
- **\$26M for Indigenous Communities.** This additional support will provide communities with funding for healthcare professionals, critical supplies, and support for urban Indigenous people in financial need.
- **New Tax Credit for Businesses in Affected Regions.** Businesses in regions lagging in employment growth will benefit from the new Regional Opportunities Investment Tax Credit, a 10% refundable corporate income tax credit. This tax credit will be available to eligible businesses that construct, renovate or acquire qualifying commercial and industrial buildings in designated regions, saving them up to \$45k in the year.
- **Procurement.** A new website, Ontario Together, encourages manufacturers to produce essential equipment.
- **Employment Protection.** Employees in isolation or quarantine or that need to be away for childcare will be able to take job-protected leave. This legislation is expected to quickly pass.
- **Emergency Childcare.** Frontline workers can benefit from emergency childcare options.

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