

# Federal Government COVID-19 Response Plan

On March 18, 2020, the Federal Government announced up to \$27 billion in direct support to Canadian workers and businesses. These supports include:

- **New | Canada Emergency Commercial Rent Assistance**  
Support measures are coming to help small businesses with rent for April, May, and June. **Stay tuned for more details.**
- **Canada Emergency Wage Subsidy**  
Non-publicly-funded businesses who have had their gross business revenue dropped by at least 15% will be able to qualify for a temporary wage subsidy for up to 12 weeks, of up to 75% on the first \$58,700 earned. Businesses will be able to choose to show a loss of revenue drop by comparing to the previous year's revenue for the month or using the average of January and February 2020 as the reference periods. The subsidy will be retroactive to March 15, 2020. Number of employees will not determine whether businesses qualify. <https://www.canada.ca/en/department-finance/economic-response-plan/wage-subsidy.html>
- **New | 10% Temporary Wage Subsidy for Employers**  
The 10% Temporary Wage Subsidy for Employers is a three-month measure that will allow eligible employers to reduce the amount of payroll deductions required to be remitted to the Canada Revenue Agency (CRA). This is separate from the Canada Emergency Wage Subsidy. <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>
- **Update | Canada Emergency Business Account**  
Banks will soon offer \$40,000 loans, guaranteed by the Federal government to qualifying businesses. These loans will be interest-free in the first year and, if your business meets certain conditions, \$10,000 will be forgivable. These loans are eligible for businesses who have spent \$20,000 - \$1.5 million in total payroll in 2019. <https://ceba-cuec.ca/>
- **Business Credit Availability Program**  
On March 13, 2020, the Federal government established a Business Credit Availability Program (BCAP) to support financing in the private sector through Business Development Bank of Canada (BDC) and Export Development Canada (EDC). This will allow BDC and EDC to provide more than \$10 billion of additional support to businesses through coordination of financing and credit insurance solutions for Canadian businesses. These include:
  - [Small business loans](https://www.bdc.ca/en/financing/business-loans/pages/small-business-loan.aspx) | BDC <https://www.bdc.ca/en/financing/business-loans/pages/small-business-loan.aspx>
  - [Working capital loans](https://www.bdc.ca/en/financing/business-loans/working-capital-financing/pages/working-capital-loan.aspx) | BDC <https://www.bdc.ca/en/financing/business-loans/working-capital-financing/pages/working-capital-loan.aspx>
  - [Purchase Order Financing](https://www.bdc.ca/en/financing/business-loans/pages/purchase-order-financing.aspx) | BDC <https://www.bdc.ca/en/financing/business-loans/pages/purchase-order-financing.aspx>
- **Deferral of Business Filing Taxes**  
The Canadian Revenue Agency will allow all businesses to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after March 18, 2020 and before September 2020. This relief would 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. <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-filing-payment-dates.html>

- **Deferral of Sales Tax Remittance and Customs Duty Payments**

GST, HST, and duties and taxes owed on imports will be delayed until June

2020. <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-filing-payment-dates.html>

- **Extended Work-Sharing Program**

The work-sharing program is an adjustment program designed to help employers and employees avoid layoffs when there is a temporary reduction in the normal level of business activity that is beyond the control of the employer. The measure provides income support to employees eligible for EI benefits who work a temporarily reduced work week while their employer recovers.

[Read Canada's full COVID-19 Economic Response Plan](#)

[https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html#Support\\_for\\_Businesses](https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html#Support_for_Businesses)