

FEDERAL COVID-19 ECONOMIC RESPONSE PLAN

Support for individuals and families

- Boost maximum annual **Canada Child Benefit** payments by \$300 per child for 2019-20. The increase will be about \$550 on average for eligible families. Families will receive an extra \$300 per child in their May payment.
- Introduce an **Emergency Care Benefit** in early April of up to \$900 bi-weekly for up to 15 weeks to provide income support to workers who must stay home and do not have access to paid sick leave. This measure could provide up to \$10 billion to Canadians, and includes:
 - Workers, including the self-employed, who are sick, quarantined, or who have been directed to self-isolate but do not qualify for Employment Insurance (EI) sickness benefits.
 - Workers, including the self-employed, who are taking care of a family member who is sick with COVID-19, such as an elderly parent or other dependents who are sick, but do not qualify for EI sickness benefits.
 - EI-eligible and non EI-eligible working parents who must stay home without pay because of children who are sick or who need additional care because of school closures.
- Introduce an **Emergency Support Benefit** in early April delivered by CRA for EI-ineligible workers who face unemployment. This will provide up to \$5 billion in support.
- Provide a special **GST Credit top-up payment** by early May 2020 for individuals and families with low and modest incomes. This will double maximum GSTC payment amounts for 2019-20, for an average increase of close to \$400 for single individuals and close to \$600 for couples.
- Waive the mandatory one-week **waiting period for EI sickness benefits** for a minimum of six months for workers in imposed quarantine or who have been directed to self-isolate, as announced on March 11.
- Waive the **medical certificate requirement** to access EI sickness benefits.
- Provide an immediate **10% wage subsidy to eligible small businesses** for the next 90 days, up to a maximum of \$1,375 per employee and \$25,000 per employer. Eligible employers include not-for-profit organisations and charities, as well as corporations eligible for the

small business deduction. Businesses will be able to benefit immediately by reducing their remittances of income tax withheld on their employees' remuneration.

- *Reduce minimum withdrawals from **Registered Retirement Income Funds (RRIFs)** by 25% for 2020 immediately, recognizing the impact of market volatility on retirement savings.*
- *Implement an interest-free 6-month **moratorium on Canada Student Loan payments** in early April for all individuals who are in the process of repaying these loans.*
- *Provide lenders with increased **flexibility to defer mortgage payments immediately** on homeowner government-insured mortgage loans for borrowers experiencing financial difficulties related to the outbreak. Insurers will permit lenders to allow payment deferral beginning immediately.*

Flexibility and support for taxpayers and beneficiaries

- ***Tax filing deadline** for individuals will be extended to June 1 and all taxpayers allowed to defer until after August 31, 2020 payment of income tax amounts that become owing on or after today and before September 2020. This relief would apply to tax balances due, as well as instalments. No interest or penalties will accumulate on these amounts in this period.*
- *Canada Revenue Agency will temporarily recognize **electronic signatures**, effective immediately, to reduce necessity for taxpayers/tax preparers to meet in person and administrative burden, effective immediately. This provision applies to authorization forms T183 or T183CORP.*
- ***CRA Outreach Program** to support individuals during COVID-19 will now be available over the phone, and through webinar, where possible. Through this service, CRA offers help to individuals to better understand their tax obligations and to obtain the benefits and credits to which they are entitled.*
- *Additional efforts to encourage individuals to file their tax and benefit returns electronically or through the **File My Return** service will be put forward to address need arising from reduction/cancellation of CVITP tax filing help.*

Support for communities and community organizations

- *\$305 million for a new **Indigenous Community Support Fund** beginning in April to address immediate needs in First Nations, Inuit, and Métis Nation communities.*

- *Up to \$50 million to **women's shelters and sexual assault centres** beginning in April to help with their capacity to manage or prevent an outbreak in their facilities. This includes facilities in Indigenous communities.*
- *\$157.5 million in additional funding to the **Reaching Home Program** beginning in April to address the needs of Canadians experiencing homelessness. Funding may be used for a range of needs such as purchasing beds and physical barriers for social distancing and securing accommodation to reduce overcrowding in shelters.*

Support for businesses

To support businesses and help them retain their workers, the federal government will:

- *Allow all businesses to **defer payment of income tax** that becomes owing on or after today and before September 2020, until after August 31, 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. This measure will result in businesses having more money available during this period.*
- *CRA will not contact any small or medium (SME) businesses to initiate any **post assessment GST/HST or Income Tax audits** for the next four weeks.*
- *For most businesses, CRA will temporarily **suspend audit interaction** with taxpayers and representatives.*
- *Increase credit available to businesses experiencing cash flow challenges through the new \$10 billion **Business Credit Availability Program**, delivered through the Business Development Bank of Canada and Export Development Canada.*
- *Further expand **Export Development Canada's** ability to support domestic businesses.*
- *Provide flexibility on the **Canada Account limit** to allow the Government to provide additional support (loans, guarantees or insurance policies) to Canadian businesses, when deemed to be in the national interest, to deal with exceptional circumstances.*
- *Augment **Farm Credit Canada** credit available to farmers and the agri-food sector.*
- *Launch an **Insured Mortgage Purchase Program** to purchase up to \$50 billion of insured mortgage pools through CMHC. As announced on March 16, this will provide stable funding to banks and mortgage lenders and support continued lending to Canadian businesses and consumers. CMHC stands ready to further support liquidity and the stability of the financial markets through its mortgage funding programs as necessary. The government will enable*

these measures by raising CMHC's legislative limits to guarantee securities and insure mortgages by \$150 billion each.

Contribution of financial institutions

The Minister of Finance has been encouraging the heads of Canada's large banks to show flexibility in helping customers with personal and/or business finances affected by COVID-19.

The Superintendent of Financial Institutions has made it clear banks should use additional lending capacity provided by the federal government to support Canadian businesses and households. The Office of the Superintendent of Financial Institutions (OSFI) is also lowering the **Domestic Stability Buffer** by 1.25% of risk-weighted assets, effective immediately. This action will allow Canada's large banks to inject \$300 billion of additional lending into the economy.

*In response, the six largest banks have affirmed their **commitment to work with customers to provide flexible solutions** case-by-case for managing through hardships caused by recent developments, such as:*

- pay disruption due to COVID-19
- childcare disruption due to school or daycare closures
- suffering from COVID-19.

*This support will include up to a 6-month **payment deferral for mortgages** and the opportunity for **relief on other credit products**.*

The Government of Canada will monitor evolving economic conditions and seek greater relief measures if necessary.

Next steps

The Government intends to introduce special legislation and seek Parliamentary approval to implement these measures.

The Government of Canada will continue to take further action as required to prioritize the health and safety of Canadians, stabilize the economy, and mitigate the economic impact of this pandemic.