

# Extended Benefits & Recent Announcements

*September 2020*

*Beyond  
Rewards HR*



Extended benefits and new announcements  
were introduced at the throne meeting on  
September 23<sup>rd</sup>, 2020

# Canada Emergency Wage Subsidy (CEWS)

- The CEWS assisted people in keeping their jobs or finding new jobs if they had been laid off
- While recovery has been underway, there is still mass job loss
- The CEWS extension will help to create jobs and restore employment to previous levels
- New direct investments will be made in the social sector and infrastructure to retain workers
- Legislation regarding the extension is expected to be released within the following months

# Wage-Subsidy Extension

- The extension comes as new cases of COVID-19 have jumped drastically in the provinces of Ontario, Quebec, Alberta and British Columbia
- This increase of cases raises concerns of new lockdowns that would require businesses that reopened this past summer to close again
- Another lockdown could mean great risk of businesses having to close permanently

# Wage-Subsidy Extension

- The Liberal government's throne speech on September 23<sup>rd</sup> 2020 announced that subsidies will extend to summer 2021 to acknowledge the economic situation facing employers
- For workers who lose their jobs, they will be put under the employment insurance system

# Wage-Subsidy Extension

- Lockdowns in March and April 2020 led to the loss of 3 million jobs with 2.5 million more workers having decreased work hours
  - The extension of the wage subsidy is another way of creating more jobs

# Move to EI

- The government plans to decrease the Canada Emergency Response Benefit
  - The CERB has paid out almost \$78 billion in benefits to approximately 8.8 million people
- Anyone covered by employment insurance will move to EI
  - Those who do not qualify (people self-employed, gig workers, etc.) will be moved to a new 26-week recovery benefit

# Move to EI

- This new recovery benefit (still awaiting approval) will be transitional before moving every worker onto EI
- Technology for EI systems will be updated to handle this shift for increased people using EI

# CEBA & BCAP

- The throne speech also included the announcement of expanding the \$40,000 small business Canada Emergency Business Account (CEBA) loan program and improving the Business Credit Availability Program (BCAP)

# CEBA

- The expansion of CEBA aims to help businesses with fixed costs and improve BCAP
- This expansion also intends to give further support for industries highly effected by the pandemic, such as:
  - Travel & tourism
  - Hospitality
  - Cultural industries such as the performing arts

“The impact of the first wave is far from over for small business. Renewing the wage subsidy and expanding CEBA to cover fixed costs are both very positive measures”

- Dan Kelly, Canadian Federation of Independent Business president and CEO

# New Program Criteria

- Under new program criteria:
  - Businesses with any revenue decline will be eligible to receive CEWS
  - The amount will be based revenue drop
  - Employers that have been “especially hard-hit” are able to qualify for a “top-up” of up to 25 percent

# CRA

- The CRA noted that despite these changes businesses who received previous period subsidies will not receive a rate lower than they would have under the previous rules
- The CRA has added new security measures to ensure online applications can be submitted securely by employers

# Aiding in the Recovery Process

- CERB was initially developed due to the original EI system not being able to handle the millions of new applicants early on in the pandemic
- This federal aid is meant to help in the recovery process as Canada moves out of the emergency process

“We believe that the CERB has served its purpose, and the reason it was created is no longer the main focus of our efforts as a government...

We want to create the supports that contribute to people returning to work and to the workplace”

- Employment Minister Carla Qualtrough

# Canada Emergency Commercial Rent Assistance plan

- During the throne meeting it was also announced that the Canada Emergency Commercial Rent Assistance plan will be extended through the month of August
- This program lowers base rent by up to 75% for eligible small businesses impacted by COVID-19

# New Benefits

- The government did not extend the Canada Emergency Response Benefit (CERB) but replaced the benefit with four benefits:
  - Employment Insurance (EI)
  - Canada Recovery Benefit (CRB)
  - Canada Recovery Sickness Benefit (CRSB)
  - Canada Recovery Caregiving Benefit (CRCB)

# New Benefits

- Recovery benefits to Canadians are being offered by the government who:
  - Have earned at least \$5,000 in working income last year or this year
  - Their income or working hours have been affected by more than 60% because of the COVID-19 pandemic
- The benefits are split into 4 to help Canadians handle the challenges of COVID-19
- It is important to apply for the correct benefit as you cannot apply to two benefits at the same time

# New Benefits



If you have more questions, contact us at:

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