



**NOSEWORTHY
CHAPMAN**

chartered professional accountants

March 25, 2020

COVID-19

Impact on Businesses

The following is a summary of key items you may find of interest. Today the Federal Government passed the Economic Response Plan Bill, C-13, that was first announced on March 13th. As a result, we anticipate we will be receiving greater clarity on the key initiatives that have been announced. We expect more detail will be released on Service Canada and CRA's websites in the coming days.

CRA Initiatives

Payment and filings deferred effective March 18th:

- Corporate income tax amounts, including installments, that become owing on or after March 18th and before August 31, 2020 are deferred until September 1st
- 2019 personal tax return filing deadline extended to June 1st and payment deadline for 2019 tax owing extended to September 1st. The June 15th personal tax installment payment is not due until September 1st.





- December 31, 2019 and later year end Trust tax return filing deadline extended to May 1st and the payment of the 2019 balance owing is extended until September 1st.
- Registered Charity Information Return filing deadline extended to December 31, 2020 if return is due after March 18, 2020.
- Initiation of any HST or Income Tax Audits is delayed for four weeks.
- Remittances pursuant to CRA Requirement to Pay (RTP) notices for tax arrears are not required until further notice by CRA.

What has not been deferred (as of the date of this communication):

- Corporate tax filing deadlines
- HST filings and payments
- Payroll remittance payments (see subsidy available below)
- Partnership return filing deadline of March 31st

If you are unsure if you qualify for the deferrals noted above, please contact us.



<https://noseworthychapman.ca/contacts/>

Workers Compensation Commission Initiative

- Workplace NL has suspended collection of preapproved payment plans of employer premiums. No application is required as the deferral of payment will be automatic.





Financial Institutions Initiatives

What has been made available:

- Mortgage and loan payment deferral for up to 6 months.
- Access to working capital loans and lines of credit through commercial banks and BDC.
- Reduction in the Bank of Canada interest rates to reduce the cost of debt.

We recommend contacting your financial institution to confirm what is available to you.

Government Subsidies and Program Initiatives

Various programs have been announced with some providing direct cash savings to your business while others provide a mechanism to allow you to keep staff employed or lessen the financial burden on staff that you have to layoff.

10% Temporary Wage Subsidy

This temporary wage subsidy is a direct cash savings. Please note businesses do not have to apply for this subsidy. The subsidy is calculated by the employer at the time of paying employer remittances between March 18, 2020 and June 20, 2020. The first remittance period that will be affected for monthly remitters will be April 15th. For semi-monthly remitters, the first affected remittance period is April 10th. The subsidy, which is capped at \$ \$1,375 per employee to a maximum of \$25,000 over the subsidy period, is available immediately to the employer by reducing the required remittance payment by the eligible amount. There is no change in employee payroll withholding amounts: those are calculated as you normally would have done. If you are unsure how to calculate the subsidy when your remittance is due, please refer to the template link we have provided on our website or alternately reach out to us, we are here to help.





Work Sharing Program

The Work-sharing program is designed to help employers avoid laying off staff and allow employees to receive supplemental unemployment benefits while sharing duties on a reduced work week arrangement. This program requires an application to be completed and accepted by Service Canada and does not result in cash to the employer, rather, through EI benefits it supplements the employee's income during the work share program duration. The eligibility criteria for this program are very specific and are available by clicking here:



<https://www.canada.ca/en/employment-social-development/services/work-sharing.html>

Supplementary Unemployment Benefit Plan (SUBP)

The SUBP program is designed to help employers top up employee EI benefits during a period of unemployment due to temporary layoff. An eligible SURP must be registered with and approved by Service Canada. This program does not result in cash savings to the employer, rather it permits the employer to supplement the employee's income during the period of layoff without causing a reduction in EI benefits. The eligibility criteria for this program are very specific and are available by clicking here:



<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/payroll/payroll-deductions-contributions/special-payments/supplementary-unemployment-benefit-plan-subp.html>

New Canada Emergency Response Benefit (CERB) announced March 25th assists self- employed individuals

The newly announced Canada Emergency Response Benefit combines the Emergency Care Benefit and the Emergency Support Benefit and will provide up to \$2,000 a month for up to four months for individuals who are off work and without an income as a result of COVID-19. The benefit has been expanded to include wage earners and self-employed individuals, including contract workers, who would not otherwise be eligible for EI. Details of the support is available by clicking here:



https://www.canada.ca/en/department-finance/economic-response-plan/covid19-individuals.html#increasing_canada_child_benefit





Noseworthy Chapman is doing our part to keep our employees safe and comply with all government regulations and recommendations during this pandemic while simultaneously maintaining the high level of client service you have come to expect. We have established secure remote access for our staff to be able to work at home. We have closed our physical office to the public and established client portals for secure electronic transfer of client information. We have also established a secure drop off location on the main floor of our building to receive packages which will be subject to quarantine before opening.

We have a dedicated COVID-19 section on our website and copies of all previous communications are located in our Information Centre on our website. Please click here for the link to our website:



<https://noseworthychapman.ca/info-centre/>

FOLLOW US

