

# COVID-19

## A quick review on Canada's economic response plan

On March 25, 2020, the government announced a set of economic measures - worth \$82 billion - to help stabilize the economy during this challenging period.

**\$52B**

**Direct support for Canadian Workers and Businesses**

**\$55B**

**Support in business liquidity through tax deferrals**

## Working Canadians

### Canada Emergency Response Benefit (CERB)

The CERB is a taxable benefit replacing the previously announced Emergency Care Benefit and Emergency Support Benefit. The CERB is \$2,000 per month for 4 months for workers who lose their job as a result of COVID-19. The CERB is a simpler and more accessible combination of the two above benefits. CERB covers Canadians who have lost their job, are sick, quarantined or taking care of someone who is sick with COVID-19, working parents who must stay at home with children who are sick or at home because of school/daycare closures, wage earners, contract works, self-employed individuals who would not otherwise qualify for Employment Insurance and finally to workers who are still employed but not receiving income because their work is disrupted due to COVID-19.

**Up to  
\$2,000  
per month  
for 4 months**



#### GST credit

Maximum annual GST credit will be doubled for the 2019-20 benefit year. One-time special payment to be made by early May 2020. This will increase income by \$400 for qualifying individuals and \$600 for couples.



#### Canada child benefit

Maximum annual benefit will be increased by \$300 per child for the 2019-20 benefit year. Overall increase will be approximately \$550 per family.



#### Student loans

Six-month interest-free moratorium on repayment of Canada Student Loans.



#### RRIF withdrawals

Minimum withdrawal amount will be reduced by 25% for 2020.



**MACKENZIE**  
Investments



### **Tax returns**

Filing deadline for individuals is moved to June 1, 2020 from April 30, 2020. Payment of income tax can be deferred to September 1, 2020.



### **Mortgage payments**

CMHC will permit lenders to allow mortgage payment deferral beginning immediately.

## **Canadian small businesses**

These actions are part of a stimulus program developed to stabilize Canada's economy, support businesses and to protect Canadians.



### **Small business wage subsidy**

Businesses of all sizes will receive a wage subsidy for three months equal to 75% of remuneration on the first \$58,700 of income, or up to \$847 per week. This measure will be backdated to March 15, 2020.



### **Business taxes**

Payment of income tax can be deferred to September 1, 2020.



### **Business credit availability program (bcap)**

Business Development Bank of Canada (BDC) and Export Development Canada (EDC) will provide over \$10 billion of support, largely targeted to small and medium-sized businesses. BDC and EDC are working with private sector lenders to coordinate on credit solutions for individual businesses.

Talk to your Advisor to find out how these measures could support your personal or your family's financial well-being.

Source:

<https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html>

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