



**CANADIAN FEDERATION
OF INDEPENDENT BUSINESS**

In business for your business™

COVID-19 Weekly Webinar

FAQs and Government Support Update
5th in series of weekly webinars

All information contained within this
presentation and webinar is current as of
April 24, 2020

Your presenters



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Our commitment

Information is changing rapidly and our website will be updated regularly cfib.ca/covid19

We will answer as many questions as we can today and use your comments and questions to update our FAQs and in our advocacy work

If we don't answer your question you can call us at 1-888-234-2232 or ask on our website at cfib.ca/covid19



Upcoming CFIB Webinars

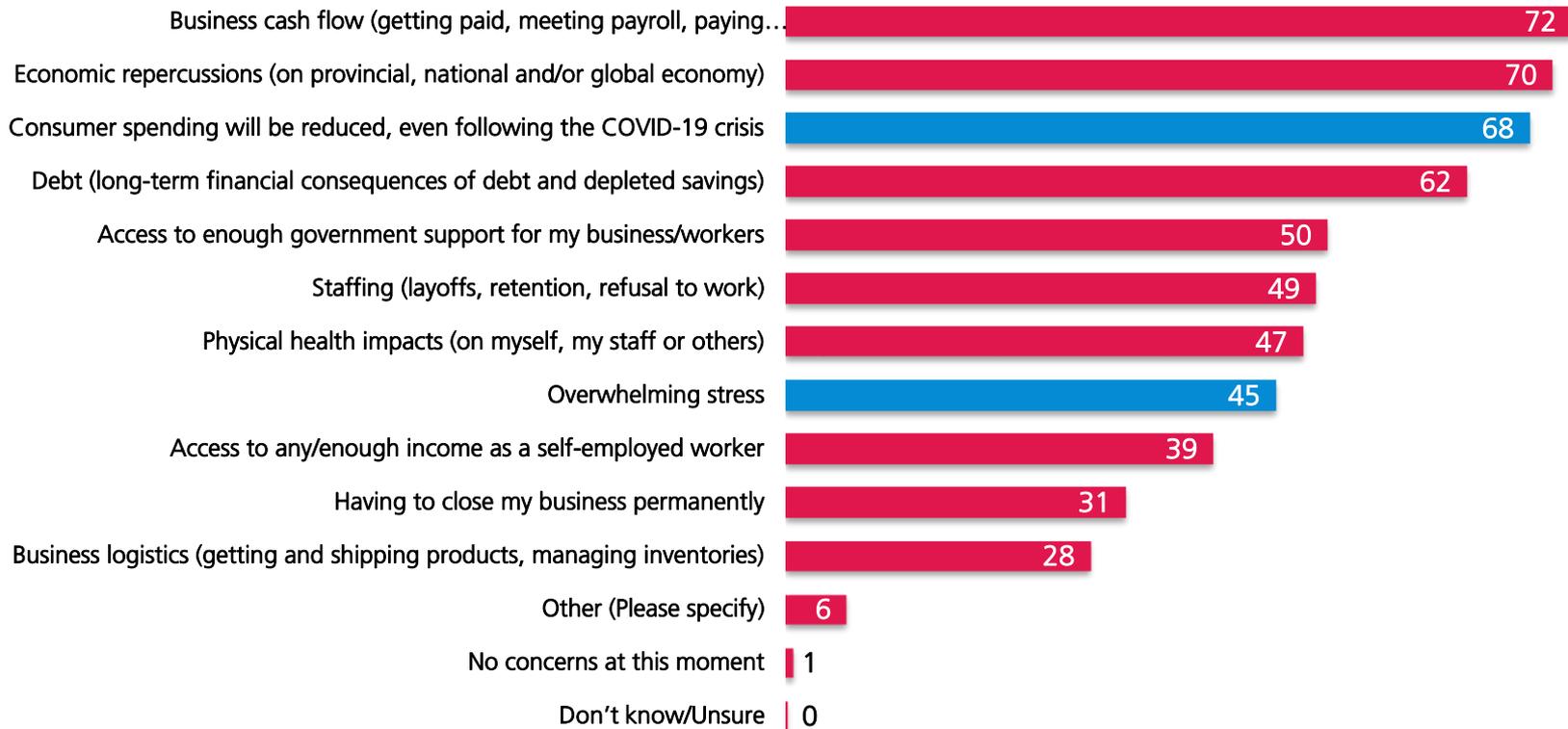
- Building resilience and leading through COVID-19 –Supporting mental health with Morneau Shepell
- How to use the CEWS calculator with CRA
- Shopify webinar on website

Key Topics covered today

1. What are the key federal programs?
2. What else is new this week?
3. Creative coping - What are you hearing from other businesses?

Important Tip: Keep a business log/journal that includes key information that may be useful when this is over (business decisions open/close; bills paid/deferred; key conversations with staff/suppliers/government; your own reflections on the business)

What are you most worried about with respect to COVID-19? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Six, April 2020, preliminary results, n = 7,855..

Note: Respondents are allowed to select multiple answers, percentages will not add to 100%

Canadian Emergency Commercial Rent Assistance (CECRA)

- NEW - Canadian Emergency Commercial Rent Assistance (CECRA) just announced this morning – what we know:
 - *Applies for April, May, June*
 - *Will offer property owners a loan, a portion of which will be forgivable, as long as they reduce the rent of their commercial tenants by 75% and agree not to evict them during this time*
 - *Will require an agreement between landlord and tenant*
 - *The tenant will have to attest to a 70% revenue drop in April/May/June compared to same period last year OR revenues for January/February 2020*
 - *Provincial governments will provide some support to the program as well. All have agreed to be part of the program*
 - *Will be available through CMHC and should become available by mid-May*

Canada Emergency Wage Subsidy (CEWS)

- 75% wage subsidy for businesses that show 15% drop in revenue for March, 30% drop in April, and May
- **NEW - Can start applying for CEWS on Monday, April 27th via CRA MyBA or online portal – money to start flowing week of May 5th**
- **NEW - CEWS calculator launched to assist with calculating the 75% wage subsidy**
- Revenue can be compared to same month in previous year OR to January/February 2020 revenues
- Will allow cash accounting (not just accrual) to calculate losses
- Maximum of \$847/week per employee (equivalent to \$58,700 per year)
- Available to corporations, sole proprietors and partnerships, no limit on number of employees
- Employers will have to attest that they have done everything they can to pay additional 25 percent but NOT required (Tip: keep a journal of what you are doing)

DETERMINE YOUR ELIGIBLE EMPLOYEES & HOW TO CALCULATE THE WAGE SUBSIDY AMOUNTS

Is the Employee at Arm's Length?*



Does the employee earn \$1,129.33/week or more?

NO

Has the employee experienced a reduction in pay since before the crisis?

NO



YES



YES



Was the employee hired on/after March 15?

NO



YES

This wage is not eligible to be subsidized.

3 TYPES

OF EMPLOYEES ARE ELIGIBLE
IDENTIFY THE EMPLOYEE'S TYPE



TYPE 1:

The subsidy will be \$847/week.



TYPE 2:

The subsidy is 75% of their weekly gross pay during the claim period.



TYPE 3:

The subsidy is the lesser of:

- 100% of their weekly gross pay during the claim period;
- 75% of their average weekly pay from the period January 1 to March 15, 2020; OR
- The maximum subsidy of \$847/week.

This calculator is now available at:

<https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-calculate-subsidy-amount.html>

**Arm's-length: Generally, an arm's length employee includes any employee who does not own the business (or in the case of a corporation, have a controlling interest in the corporation) and is not a member of that person's immediate family.
[CRA's 'Arm's Length' Summary.](#)*

Common questions on CEWS

1. Can I apply for both the 75% and 10% wage subsidy at the same time?

Yes you can – but your 75% wage subsidy will be reduced by 10% so that you do not get more than 75% subsidy in total

2. Can the employer's salary be included in the wage subsidy?

If you drew a salary from the corporation prior to March 15th, it can be included, however if you pay yourself in dividends, it cannot be included

3. Do we have to compare revenues for the entire month of March even though the emergency started in mid March?

Yes, you do have to compare the entire month of March 2020 with either the entire month of March 2019 OR with revenues from January and February 2020 BUT only need to prove a 15% drop in revenues for March

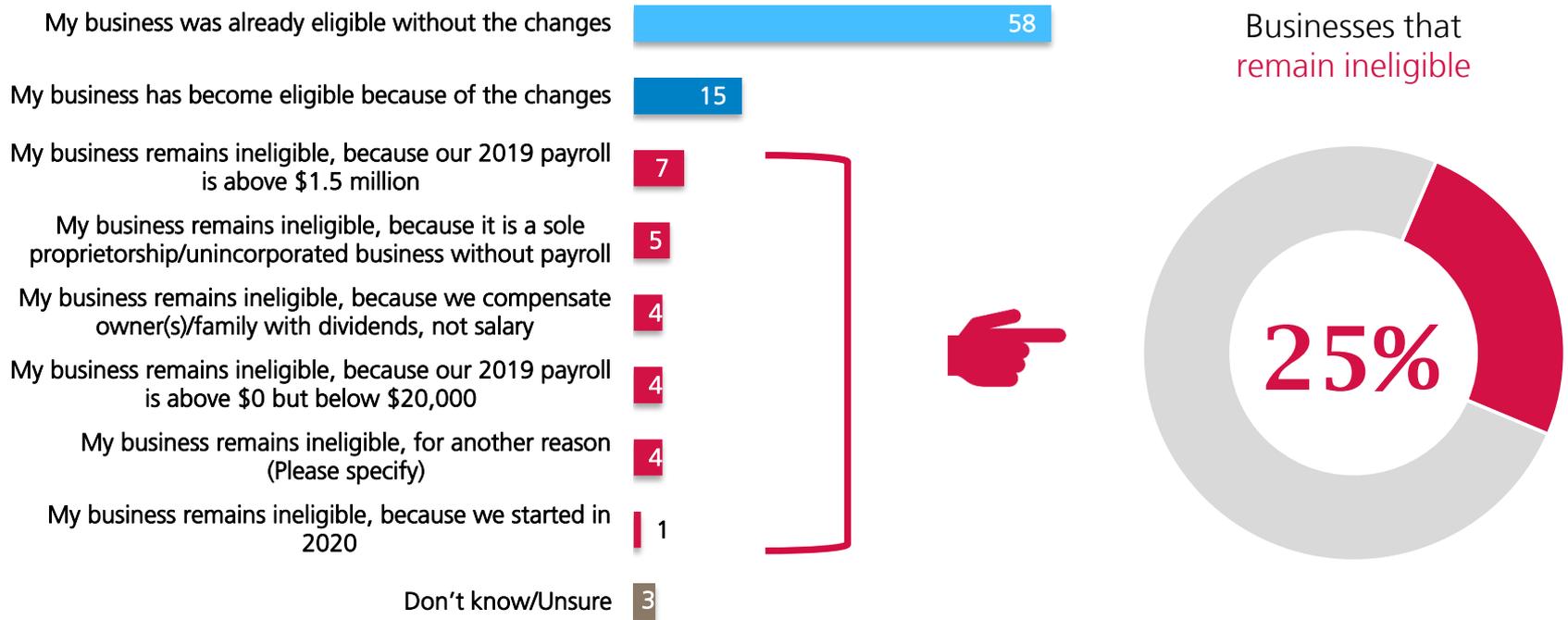
4. Is the calculation for the revenue drop based on gross or net revenues?

It is based on your gross revenues

Canada Emergency Business Account (CEBA)

- Banks (and credit unions) provide interest free loans up to \$40,000 to help cover fixed operating costs
- Up to \$10,000 forgiven (25%) if repaid by Dec. 31, 2022
- For employers with \$20,000 to \$1.5 million in payroll in 2019
- NEW - Available as of April 9th and working well with some banks and less well with others – send us your issues at CEBA@cfib.ca
- Tip: take out \$40,000 to get \$10,000 immediately
- NEW - CFIB pushing for improvements including:
 - *Expand eligibility to include contract workers, those who pay by dividends, those with payroll under \$20,000 and over \$1.5 million, those with personal bank accounts and new businesses*
 - *Expand the size of the loan and the amount that is forgivable as the emergency period goes on*
 - *Implement an appeals process for those unfairly turned down*

Given the eligibility changes to CEBA, which of the following applies to your business? (% response)



Source: CFIB, Your Business and COVID-19 – Survey Number Six, April 2020, preliminary results, n = 7,712.

Notes: 1) The percentage of responses may not always add up to 100% due to rounding.

2) Respondents were provided with background information before answering this question see appendix for details.

Common questions on CEBA

1. How do I prove that my payroll is between \$20,000 and \$1.5 million?

You will need to provide the amount from your T4SUM from 2019 when applying for CEBA

2. What if my payroll consists of contract workers?

Only workers for which you paid remittances can be included as part of the payroll requirements for the loan – which would exclude contract workers

3. What if my credit union is not offering it?

Most credit unions will be able to offer CEBA by end of April as the list is updated everyday as they get certified. Please keep checking back

4. What if I get rejected?

Your financial institution should be communicating the reason for your rejection. If they do not, or you do not agree with their reasons, please call CFIB or send us an email at ceba@cfib.ca (NEW) as we may be able to help get some answers.

Canada Emergency Response Benefit (CERB)

- To apply must have earned \$5000 within the last 12 months, be over the age of 15 and a Canadian resident
- EI applications since March 15 are automatically enrolled in the CERB program
- Two streams to get it – if EI eligible, apply through EI system, if not, apply directly to CERB through CRA
- CERB (and now EI) are \$2000 per month for up to four months, must apply monthly or attest bi-weekly (if applied through EI system)
- Covers employees who are unable to work for COVID-related reasons including contract workers, part-timers, and self-employed who would not otherwise be eligible for EI.
- Can earn up to \$1000 per month while on CERB
- Begin receiving payments within three days of application (with direct deposit)

Common questions on CERB

1. Can dividends be included as income to show \$5,000 earned in past year?

Yes, as long as they are non-eligible dividends (those paid out of corporate income taxed at the small business rate)

2. Can part-time or seasonal workers apply for CERB?

Yes, as long as they earned more than \$5,000 in last 12 months, are over the age of 15 and earned no more than \$1,000 in the past month

3. Are employers still required to file an ROE for a worker going on to CERB?

While the employee does not need the ROE to apply for CERB, the employer is obligated to file an ROE when there has been 7 consecutive days of no earnings

4. Is CERB taxable?

Yes, but you will get the full \$2,000 and must claim it as income on your 2020 taxes when you file in 2021

What else is new this week?

- MB joins SK and NS in providing one-time grant to help small businesses. In MB the interest-free loan is up to \$6,000 and is forgivable for any business not able to access any of the federal emergency assistance program
- More provinces may soon be in a position to start to loosen some restrictions on business operations (In addition to SK, QC and BC - PEI, NL, NB and MB have suggested they may be in a position to start re-opening parts of their economy in the near future)
- Further clarification was provided around curbside delivery in some provinces (see next slide)

CURBSIDE PICK UP

PROVINCIAL BREAKDOWN



YES



- ✓ BC
- ✓ Alberta
- ✓ Saskatchewan
- ✓ Manitoba
- ✓ Nova Scotia
- ✓ PEI
- ✓ Newfoundland and Labrador

LIMITATIONS

New Brunswick

- Only allows*
- Electronics
 - Furniture
 - Appliances and
 - Vehicle retailers

Quebec

- Only allows*
- Priority retailers
(pharmacies
grocery stores etc.)

Ontario *Only allows*

- Hardware products
- Vehicle parts and supplies
- Pet and animal supplies
- Office supplies and computer products, including computer repair
- Safety supplies



Creative Coping (Innovative approaches)

Examples of how other businesses are coping

- Vintage store using Instagram to post new products. Customers can direct message to purchase it and then delivers to their homes.
- Hair salon providing step-by-step instructions on how to cut and colour through video chats
- Gyms/Yoga studios providing exercise classes through YouTube or video calls
- Non-profit car ride service providing low cost local food delivery for independent restaurants doing take-out for first time
- Breweries providing delivery services
- Breweries/distilleries making hand sanitizers
- Clothing designers/manufacturers making masks/gowns

Share with us what your business has been doing to cope

Creative Coping (Financial)

How do I manage/pay my bills?

Other than programs already discussed (CEBA, CERB, CECRA) there are also the following options:

- Bank loans and deferrals
 - *More money available through banks as government (through BDC and EDC) is guaranteeing up to 80 percent of the loan – with loan values up to \$6.25 million based on revenues;*
 - *Banks also making mortgage payment deferrals for up to 6 months, personal and other loans up to 3 months*
- More details in the appendix on:
 - *Provincial financial assistance programs – varies by province*
 - *Tax deferrals*
 - *Negotiate with suppliers, including landlords*

Creative Coping (Emotional)

Quick stress reduction tips

- Adopt healthy habits - eat well, exercise and sleep
- Prioritize leisure time - Try to find a few minutes to do something you enjoy, limit news consumption to what you need to know
- Connect with someone you care about – Make sure you are only physically self-distancing and not socially self-isolating. Use technology to seek support from family, friends and other communities
- Ask for help, financial and emotional – many resources available across the country (some listed in appendix)
- Keep a journal of how this is affecting business (good for stress relief and post COVID audits!)
- Don't forget to breathe

Making your voice heard

Action alerts are a highly effective way to ensure that governments are paying attention to your top priorities

Improve the 75% wage subsidy program: Reduce the six-week funding delay and ensure small firms are not disqualified by the 30% gross revenue reduction test.

Make CEBA (\$40,000 loan) more accessible: Eliminate the payroll test to allow more businesses to participate and make the \$10,000 forgivable a simple grant to help pay for fixed costs, like rent.

Help businesses pay rent or mortgages: Provide direct funding to pay rent or mortgage costs for business forced to fully or partially close.

Delay all planned tax/cost increases until the economy recovers. This includes: Federal carbon tax (April 1), CPP (January 1, 2021), minimum wage (varies by province).

Forgive the payment of taxes, including property taxes, for up to 3 months for those forced to fully or partially close.

Promptly pay suppliers: Ensure suppliers to government are paid quickly (i.e. less than 30 days) and encourage large businesses to do the same.

My business needs urgent help to survive COVID-19!

Canadian small businesses like mine are facing their biggest challenge in our lifetimes as a result of the COVID-19 pandemic. Many firms will not survive without significant support to help pay staff and cover fixed costs like rent.

I appreciate many of the helpful measures, such as the 75% wage subsidy, emergency income support for the self-employed, and deferring certain taxes like GST/HST, income tax, property taxes and workers' compensation premiums.

But for businesses to survive this crisis, I am asking governments to:

- Improve wage support:** Reduce the six-week funding delay and ensure small firms are not disqualified by the 20% gross revenue reduction test.
- Help businesses pay rent or mortgages:** Provide direct funding to pay rent or mortgage costs for business forced to fully or partially close.
- Delay all planned tax/cost increases until the economy recovers.** This includes: Federal carbon tax (April 1), CPP (January 1, 2021), minimum wage (varies by province).
- Forgive the payment of taxes, including property taxes,** for up to 3 months for those forced to fully or partially close.
- Promptly pay suppliers:** Ensure suppliers to government are paid quickly (i.e. less than 30 days) and encourage large businesses to do the same.

First Name *

Last Name *

Email Address *

Business Name *

City *

Postal Code *

*By submitting this form, you agree to be contacted by CFIB by telephone or email.

SUBMIT

Sign at cfib.ca/covidpetition

Refer a friend to CFIB?

During the COVID-19 crisis, we are temporarily making our services available to small businesses who may need our help for no charge. If you know someone who might benefit from:

- Getting one on one advice and support from our Business Helpline
- Participating in webinars hosted by our experts on relevant business topics
- Having a voice in our regular COVID-19 surveys
- Accessing our savings programs
- Receiving regular e-news updates

Please refer them to us

<https://cfib.ca/introductoryoffer>

CFIB resources

- Go to cfib.ca/covid19 for FAQs, latest updates on government relief measures & templates
- Call the CFIB Business Helpline: **1-888-234-2232**
- Weekly email updates, webinars and surveys
- Follow us on social:



[CFIB](#)



[CFIB](#)



[CFIBbuzz](#)



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The screenshot shows the CFIB website's COVID-19 resource page. At the top, the CFIB logo and tagline "In business for your business." are visible. Below this is a large blue header with "COVID-19" in white text. A video player features a photo of Dan Kelly, CFIB President and CEO, with a red play button overlay. The text below the video reads: "Dear CFIB member, We know this is a difficult time for small businesses across the country. Information is changing rapidly and it can be difficult to find the help you need. To keep you informed on the latest government relief measures and provide up to date answers to your questions, we will be sending you a weekly newsletter for as long as COVID-19 poses serious challenges. On behalf of everyone at CFIB, I would like to offer you, your employees and your business our full support. Dan Kelly, President and CEO". Below the video is a blue section titled "Answers to your COVID-19 questions". Underneath, there is a link "Find up to date info using our business owner FAQ" and a paragraph of text: "Our business counselors have fielded thousands of COVID-19 calls over the past several days alone. We are regularly updating our online Help Center based on your questions and the new information we are getting from governments. Visit our online FAQ to find answers to common question including: 'Can my business remain open?', 'Are employees under quarantine eligible for EI?' and 'What should be done when business is slow and there isn't enough work for employees?'. A blue button labeled "Get answers" is positioned below the text. At the bottom of the page, there is a section titled "What's the government doing to help your business?" with a paragraph of text: "The COVID-19 crisis has brought a lot of uncertainty into our lives and our economy—and your business may need help getting through it. To date, announcements from the federal government include a 10% wage subsidy and deferring tax remittances. Find out what other relief measures the provincial and federal governments are implementing and how you can apply for them." Two blue buttons, "See Ontario relief" and "See federal relief", are located at the bottom right of this section.

Our commitment

As the situation evolves this content will be updated
cfib.ca/covid19

We will continue to work to answer your individual questions



We will never stop fighting on behalf of independent business!



Significant financial support by jurisdiction

Province	Significant financial support	Details
British Columbia	Emergency Benefit for Workers	One-time payment of \$1,000 issued in May, 2020. Employees, self-employed, and non-EI eligible workers are able to apply. Applications not yet open.
	Provincial property tax reduction	Province reducing the provincial portion of property taxes on commercial properties, reflecting an average tax bill decrease of 25%
Alberta	Waving of 50% of 2020 WCB premiums for SMEs	Waving of 50% of 2020 WCB premiums for SMEs < \$10 million in assessable payroll, equal to \$350 million in savings. Details here.
Manitoba	Gap Protection Program (MGPP)	Available to any businesses in who do not qualify for federal programs and wage subsidies. Non-interest loan of \$6,000. The loan is forgiven on Dec. 31, 2020, if business has not received any major non-repayable federal supports.
Saskatchewan	Small Business Emergency Payment	One-time grant based on 15% of a business' monthly sales revenue, to a maximum of \$5,000 and can be used for any business purpose. Program totals \$50 million, businesses with less than 500 employees are eligible. Eligibility details and application here.
Quebec	Emergency aid for SMEs	Up to \$50,000 in emergency financing in the form of a loan or loan guarantee for businesses who have temporarily closed. Contact your local MRC for more information.
PEI	Commercial Leases: rent deferral program	Up to a maximum of \$50,000 per landlord and \$15,000 per tenant, program details here.
	COVID-19 Income Support Fund for Workers and Self-employed	One-time payment of \$750 for those who have not already accessed the Emergency Income Relief for the Self-Employed, and who have applied for federal benefits (CERB). Applications open online until April 30.
Nova Scotia	Small Business Impact Grant	One-time grant totaling 15% of revenues from sales (from either April 2019 or February 2020), up to a maximum of \$5,000 that can be used for any business purpose. Program totals \$20 million, businesses with fewer than 200 employees and anticipated revenue loss of 30% or more in April are eligible. Eligibility details and application here.
	Worker Emergency Bridge Fund	One-time \$1,000 payment to anyone who has lost their job (employee or self-employed) on or after March 16, 2020 because of COVID-19. Record of Employment or 2018 tax return needed to apply, the toll-free phone line for the fund (1-800-863-6582) is now open.
Yukon	Paid Sick Leave Rebate for Employers	Rebate covers a maximum of 10 days of wages up to \$378.13 per day per employee to allow for sick leave or 14-day self-isolation. Applications open here.

Tax deferrals

Province	Taxes	Payment Deferred until	Additional Details
Federal	Corporate income tax	August 31, 2020	Must submit by June 1, 2020
	GST/HST	June 30, 2020	Businesses should continue to file GST/HST on time, however penalties will not be imposed so long as filing is done by June 30
	CPP/EI	X	No deferred payment or filing
BC	EHT, PST, municipal and regional district hotel room tax, tobacco tax, motor fuel tax, carbon tax increase	September 30, 2020	N/A
	Provincial property tax	October 1, 2020	N/A
AB	Corporate income tax, education property tax	August 31, 2020	N/A
SK	Provincial sales tax	3 month deferral of payment after completing penalty and interest waiver request	Have to apply first before having it deferred
MB	Retail Sales Tax	June 20, 2020 or later	Deadlines vary in June based on remittance values. See CFIB page for more details
	HE Levy	June 15, 2020	N/A
ON	EHT, tobacco tax, fuel tax, mining tax, beer tax	August 31, 2020	N/A
	Business Education Property Tax deferrals for one payment quarter	90 days after June	N/A
QC	GST/QST and customs duty payments.	June 30, 2020	N/A
	For any tax balance owing to Revenue Quebec or remit installments	September 1, 2020	N/A
NB	Property Tax	X	Late penalties will be reviewed on a case-by-case basis to see if the penalty can be waived.
AB, SK, MB, ON, QC, NL, NS, PEI, NB	Deferred WCB/CNESST premium payments	See CFIB page to find information on your respective province.	See CFIB page to find information on your respective province.

What should I do if I can't afford to pay my rent/mortgage?

- Look at your lease to know what it says and check to see if there is a clause regarding extreme circumstances
- Try and negotiate an agreement to reduce or delay your payment. Be sure to put agreement in writing
- Try to get loan from your bank
- Pay what you can, many are telling us they are prioritizing wages and rent payments
- Stay calm and remember it is in everyone's interests to work this out
- CFIB is lobbying provinces for a minimum 25 percent property tax reduction and emergency hardship money to help with fixed costs

How do I manage my staff? Main options

1. Keep staff & access 75% wage subsidy or 10% wage subsidy (whichever works best for your business)
2. Other options for keeping staff include:
 - *Use Workshare - employees agree to reduced work week & to share the available work over a period of time*
3. Temporary layoffs with your staff accessing:
 - *Employment Insurance*
 - *Canada Emergency Response Benefit (CERB)*

How to temporarily lay off staff: the basics

1. Check your provincial Employment Standards
 - *What are your minimum requirements of a layoff or how much you will have to pay your employees if you cannot recall them*
2. Prepare your Temporary Layoff Letter *(template available in resources)*
3. File your employee's ROE with Service Canada
 - *Whenever your employee experiences an interruption of earnings. This includes layoffs and is required even if your employees don't plan on going on EI or plan to apply for CERB*
4. Talk to your employees
 - *Be as clear as you can about why you need to lay them off*
 - *When you hope to bring them back*
 - *Let them know what funding options are available to them during their layoff (CERB)*
 - *Provide them with your Temporary Layoff Letter*

How do I code the ROE?

Most likely codes to use:

Code A - Shortage of work (layoff):

When you are laying off employees due to a shortage of work or a temporary business closure

Code D - Illness or Injury:

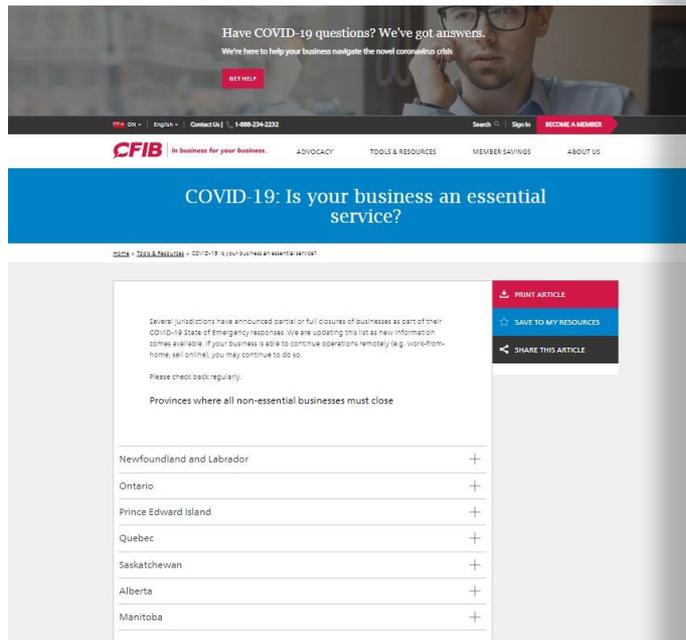
When an employee is absent due to illness, quarantine, or ordered self-isolation

Code H - Work-Sharing

Code N – Leave of Absence (including I don't feel comfortable coming to work due to COVID or looking after a family member at home)

DO NOT put any comments in the comments box on the ROE; this will slow down processing as the ROE will need to be reviewed manually

Business closures information



Provinces where all non-essential businesses must close	
Newfoundland and Labrador	+
Ontario	+
Prince Edward Island	+
Quebec	+
Saskatchewan	+
Alberta	+
Manitoba	+
Provinces and territories with partial business closures	
British Columbia	+
New Brunswick	+
Northwest Territories	+
Nova Scotia	+
Yukon	+

www.cfib-fcei.ca/en/tools-resources/covid-19-business-essential-service

More on the ROE

- You are required to complete an ROE (Record of Employment) when there is an interruption of earnings
- Interruption of earnings is generally when an employee goes 7 days without earning income which has source deductions
- ROE must be filed 5 days after the 7-day interruption of earnings
- This may be challenging due to high volumes at Service Canada websites and Service Canada closures. We recommend doing online despite current delays

Obtain at: www.canada.ca/en/employment-social-development/programs/ei/ei-list/reports/roe-guide/instructions.htm

- **Guide to completing the ROE:**
www.canada.ca/en/employment-social-development/programs/ei/ei-list/reports/roe-guide/instructions.htm

Some resources for dealing with stress

- Anxiety Canada: www.anxietycanada.com for information and self-management strategies for anxiety
- Crisis help across Canada - the Canadian Association for Suicide Prevention provides a list of [crisis centres](#) across Canada



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