

TAXTALK

COVID-19 Guide - Tax Relief Measures

This guide reflects legislation and commentary from the various levels of Government as at April 26, 2020

Summary of COVID-19 Relief Measures Contained in this Guide

- Tax Filing Deadlines and Payment of Taxes for Businesses and Individuals

Changes Affecting Businesses

- 75 percent Canada Emergency Wage Subsidy (CEWS)
- 10 percent Temporary Wage Subsidy (TWS)
- Canada Emergency Commercial Rent Assistance (CECRA)
- \$40,000 Loan - Canada Emergency Business Account (CEBA)
- Temporary Ontario Employer Health Tax (EHT) Exemption
- Deferred Workplace Safety and Insurance Board (WSIB) Premiums

Changes Affecting Individuals

- \$2,000 / Month - Canada Emergency Response Benefit (CERB)
- Student Benefits
 - \$1,250 / Month – Canada Emergency Student Benefit (CESB)
 - Canada Student Service Grant
 - Deferral of interest on student loans
- One Time GST Credit for Individuals
- RRIF Withdrawals

Canada's COVID-19 Economic Response Plan Web Portal

The federal government has set-up the following **COVID-19 Economic Response Plan** web portal that summarizes all previously announced measures and future updates to these measures.

<https://www.canada.ca/en/department-finance/economic-response-plan.html>

Tax Filing Deadlines and Payment of Taxes for Businesses and Individuals

	Tax Filing Deadlines		Payment Deadlines	
	Normal	New Extended	Normal	New Extended
Individuals (T1)	April 30, 2020	June 1, 2020	April 30, 2020	September 1, 2020 (a)
Individuals - self-employed (T1)	June 15, 2020	No change	April 30, 2020	September 1, 2020 (a)
Corporations (T2)	6 months after year-end	June 1, 2020 (b)	2 months after year-end (c)	September 1, 2020 (d)
Trusts (T3) (e)	March 30, 2020	May 1, 2020	March 30, 2020	September 1, 2020
Charities (f)	6 months after year-end	December 31, 2020	N/A	N/A
Partnerships (T5013)	March 31, 2020	May 1, 2020	Not applicable	Not applicable
Summary of Payments to Non-Residents (NR4)	March 31, 2020	May 1, 2020	15 th of each month following the payment to non-resident	No change
GST/HST – monthly (g)	1 month after reporting period	No change (h)	1 month after reporting period	June 30, 2020
GST/HST – quarterly (g)	1 month after reporting period	No change (h)	1 month after reporting period	June 30, 2020
GST/HST – yearly (g)	3 months after reporting period	No change (h)	3 month after reporting period	June 30, 2020
Other information returns, elections, designations and information requests	Extended to June 1, 2020 – Unless otherwise noted, this extension applies to other information returns, elections, designations, and information requests that are due after March 18, 2020 and before June 2020.			

Notes:

- (a) Includes the June 15, 2020 instalment payment for those have to pay by instalments. Note that there may be 2 payments that month as the September 15th instalment due date is currently not deferred.
- (b) Applies to corporations that would otherwise have a filing due date after March 18 and before June 1, 2020.
- (c) For CCPCs (Canadian Controlled Private Corporations), the normal deadline for tax payments is 3 months after the taxation year-end on tax payable income eligible for the small business deduction.
- (d) Applies to balances and instalments under Part 1 of the Income Tax Act due on or after March 18 and before September 1, 2020.
- (e) Applies to Trusts with a tax year end date of December 31, 2019. However, Trusts that would otherwise have a filing due date in April or May are now due June 1, 2020 and payments are due September 1, 2020.
- (f) Applies to charities with Form T3010 due between March 18, 2020 and December 31, 2020.
- (g) The deferral will apply to GST/HST remittances for the February, March and April 2020 reporting periods for monthly filers; the January 1, 2020 through March 31, 2020 reporting period for quarterly filers; and for annual filers, the amounts collected and owing for their previous fiscal year and instalments of GST/HST in respect of the filer's current fiscal year.
- (h) The deadline for businesses to file their returns is unchanged. Those who are able to, should continue to file their GST/HST returns on time reporting their net tax for the reporting period to help facilitate tax compliance and administration. However, recognizing the difficult circumstances faced by businesses, the CRA won't impose penalties where a return is filed late provided that it is filed by June 30th.

Changes Affecting Businesses

75 Percent Canada Emergency Wage Subsidy (CEWS)

All businesses, non-profit organizations and charities with a revenue decrease of 30 percent or more will be eligible for the 75 percent Canada Emergency Wage Subsidy (CEWS). Businesses will only need to show a 15 percent decline in revenue for March instead of 30 percent.

The 30 percent decline in revenue will be measured in comparison to the same month last year, or an average of revenue earned in January and February 2020. Employers will select the general year-over-year approach or this alternative approach when first applying for the CEWS and will be required to use the same approach for the entire duration of the program.

The wage subsidies will be retroactive to March 15, 2020. Employers will need to attest they are doing everything they can do to cover the remaining 25 percent of wages.

Starting April 27, 2020, eligible employers can apply for the CEWS through CRA's *My Business Account* or through a separate online application form. It was also confirmed that authorized representatives of the employer can submit the CEWS application on behalf of the employer. To assist employers with calculating the subsidy amount, the CRA has set-up an online calculator.

WHO IS ELIGIBLE FOR THE SUBSIDY?

Eligible employers are eligible for the subsidy if you:

- are a(n):
 - individual,
 - partnership consisting of eligible employers,
 - non-profit organization,
 - registered charity, or
 - taxable corporations.
- have realized a decrease of at least 15 percent in revenue in March 2020 and a 30 percent decrease in revenue for the April and May periods. The decrease does not have to be attributable to the COVID-19 pandemic.

Eligible Employees

An eligible employee is an individual who is employed in Canada.

Eligibility for the CEWS of an employee's remuneration, will be limited to employees that have not been without remuneration for more than 14 consecutive days in the eligibility period, i.e., from March 15 to April 11, from April 12 to May 9, and from May 10 to June 6.

Calculating Revenues

An employer's revenue for this purpose is its revenue in Canada earned from arm's-length sources. Revenue is calculated using the employer's normal accounting method, and excludes revenues from extraordinary items and amounts on account of capital.

Employers are allowed to calculate their revenues under the accrual method or the cash method, but not a combination of both. Employers select an accounting method when first applying for the CEWS and are required to use that method for the entire duration of the program.

For registered charities and non-profit organizations, the calculation includes most forms of revenue, excluding revenues from non-arm's length persons. These organizations are allowed to choose whether or not to include revenue from government sources as part of the calculation. Once chosen, the same approach applies throughout the program period.

Non-Arm's Length Transactions

Special rules for the computation of revenue are provided to take into account certain non-arm's length transactions, such as where an employer sells all of its output to a related company that in turn earns arm's length revenue. As well, affiliated groups are able to compute revenue on a consolidated basis.

- All members of an affiliated group (affiliation generally means common control by a person or spouse or group of people) may jointly elect to use the same consolidated qualifying revenue for the revenue decrease test.
- Alternatively, a group that normally prepares consolidated financial statements may choose to determine qualifying revenue separately for each member, but every member of that group must do the same.
- Where an employer receives, substantially all (typically means 90 percent or more) of its revenue from non-arm's length persons, a joint election can be made to calculate the employer's decrease in revenue based on the non-arm's length person's decrease in revenue.

Eligible Periods

Eligibility is determined by the change in an eligible employer's monthly revenues, year-over-year, for the calendar month in which the period began.

Alternatively, employers are allowed to compare their revenue using an average of their revenue earned in January and February 2020.

Employers can select the general year-over-year approach or this alternative approach when first applying for the CEWS and are required to use the same approach for the entire duration of the program.

Eligible Period	Claiming Period	Required reduction in revenue	Reference period for eligibility
Period 1	March 15 to April 11	15 percent	March 2020 over: <ul style="list-style-type: none"> • March 2019 or • Average of January and February 2020
Period 2	April 12 to May 9	30 percent	Eligible for Period 1 OR April 2020 over: <ul style="list-style-type: none"> • April 2019 or • Average of January and February 2020
Period 3	May 10 to June 6	30 percent	Eligible for Period 2 OR May 2020 over: <ul style="list-style-type: none"> • May 2019 or • Average of January and February 2020

A business that meets the requirements for a particular 4-week period is automatically deemed to meet the requirements for the next 4-week period, meaning that re-application is not required. For example:

- X Corp. is a new company that started its operations last August. It reported revenues of \$80,000 in January and \$120,000 in February, for a monthly average of \$100,000. In March, its revenues dropped to \$80,000. Because revenues in March are 20 percent lower than \$100,000, X Corp. would be eligible for the CEWS for the first and second claiming period. To be eligible for the third claiming period, X Corp's revenues would have to be \$70,000 or less for the month of April or May (that is, 30 percent lower than the \$100,000 monthly average revenue for January and February).

WHAT IS THE AMOUNT OF THE WAGE SUBSIDY?

The subsidy amount for a given employee on eligible remuneration paid for the period between March 15 and June 6, 2020 is the greater of:

- 75 percent of the amount of remuneration paid, up to a maximum benefit of \$847 per week; and
- the amount of remuneration paid, up to a maximum benefit of \$847 per week or 75 percent of the employee's pre-crisis weekly remuneration, whichever is less.

In effect, employers may be eligible for a subsidy of up to 100 percent of the first 75 percent of pre-crisis wages or salaries of existing employees. These employers are expected where possible to maintain existing employees' pre-crisis employment earnings.

The pre-crisis remuneration for a given employee is based on the average weekly remuneration paid between January 1 and March 15 inclusively, excluding any 7-day periods in respect of which the employee did not receive remuneration.

Employers are also eligible for a subsidy of up to 75 percent of salaries and wages paid to new employees.

Eligible remuneration may include salary, wages and other remuneration like taxable benefits. These are amounts for which employers are generally required to withhold or deduct amounts to remit to the Receiver General on account of the employee's income tax obligation. However, it does not include severance pay, or items such as stock option benefits or the personal use of a corporate vehicle.

There is no overall limit on the subsidy amount that an eligible employer may claim.

Employers are expected to make their best effort to top-up employees' salaries to bring them to pre-crisis levels.

HOW DO I APPLY FOR THE SUBSIDY?

Starting April 27, 2020, eligible employers can apply for the CEWS in CRA's My Business Account or through a separate application form. If it has not been set-up already, your business should set-up access to *My Business Account* prior to applying for CEWS. Otherwise, you may also engage your authorized representative to apply on your behalf.

To set up your *My Business Account*, you will have to complete 2 steps on CRA's website:

Step 1 – Provide Personal Information

- Enter your social insurance number.
- Enter your birth date.
- Enter your current postal code or ZIP code.
- Enter an amount you entered on 1 of your income tax and benefit returns. Have a copy of your returns handy. The amount requested will vary. It could be from the current tax year or the previous one. To register, a return for 1 of these 2 years must have been filed and assessed.
- Create a CRA user ID and password.
- Credit your security questions and answers.
- Enter your business number.

Step 2 – Enter the CRA Security Code

- To access your account, return to My Business Account, select "CRA login", and enter your CRA user ID and password. When prompted, enter your CRA security code.

For further assistance with *My Business Account* registration or confirming your security code you will need to contact CRA's business line at 1-800-959-5525.

CAN CEWS INTERACT WITH ANY OTHER PROGRAMS?

10 Percent Wage Subsidy

For employers that are eligible for both the CEWS and the 10 percent wage subsidy for a period, any benefit from the 10 percent wage subsidy for remuneration paid in a specific period will reduce the amount available to be claimed under the CEWS in that same period.

EI Work-Sharing Program

EI benefits received by employees through the Work-Sharing program will reduce the benefit that their employer is entitled to receive under the CEWS.

EI and CPP Payroll Remittances – For Employees on Leave

Employers are entitled to a full refund for employer-paid remittances to EI and CPP in certain circumstances. The refund covers 100 percent of these amounts for each week throughout which an employee is on leave with pay and for which the employer is eligible to claim wage subsidy for that employee.

This part of the CEWS is not limited by the \$847 per week cap, but the employer still has to first make all the required payroll withholding and remittances and then apply for CEWS to get back the employer-portion of EI and CPP.

WHAT ARE THE PENALTIES FOR NOT FOLLOWING THE RULES?

Employers are required to repay amounts paid under the CEWS if they do not meet the eligibility requirements. Penalties may apply in cases of fraudulent claims. The penalties may include fines or even imprisonment. In addition, anti-abuse rules would be put in place to ensure that the subsidy is not inappropriately obtained and to help ensure that employees are paid the amounts they are owed.

Employers that engage in artificial transactions to reduce revenue for the purpose of claiming the CEWS will be subject to a penalty equal to 25 percent of the value of the subsidy claimed, in addition to the requirement to repay in full the subsidy that was improperly claimed.

COMMON QUESTIONS AND ANSWERS

1. Is the subsidy considered taxable income?

- Yes. CEWS is considered government assistance, which means that the CEWS amount received is taxable to you in the tax year received.

2. Is the change in revenue test based on gross revenue or profit?

- It is based on gross revenue. Gross revenue is more consistent with the definition of “qualifying revenue”. Qualifying revenue includes the inflow of cash, receivables or other consideration arising the course of the ordinary activities of the eligible entity, generally from the sale of goods, the rendering of services and the use by others of resources of the eligible entity, in Canada in the particular period.
- Expenses are not relevant in applying the change in revenue test.

3. Can revenue be calculated by including bad debts for any unpaid invoices?

- No. A bad debt is considered an expense and therefore would not be offset against gross revenues when determine the revenue decline as part of the revenue test.
- However, bad debts may be factored if a company elects to use the cash method of account in determining if there was a decrease in qualifying revenue.

4. If the employer’s decrease in revenue does not meet the minimum percentages, could there be a partial claim to CEWS?

- No. Based on the current rules it is an all-or-nothing test.

5. Does the decrease in revenue have to be directly related to COVID-19?

- No. There is no reference in the legislation or any announcements to indicate this is a requirement.

6. Does it matter which accounting standard the employer follows?

- No, as long the employer is consistent with the accounting standard that is used pre-crisis versus now.

7. Should an employer wait to apply for CEWS until after the claim periods have past?

- It may make sense to wait to apply for CEWS because of the ability of an entity to choose between cash accounting versus normal accrual accounting or choosing between January and February 2020 revenue versus the corresponding month in 2019.
- If the employer waits until the claim periods are over they can then determine in retrospect which options may yield a better result. However, the need for cash may trump the luxury for time.
- The deadline for filing an application is September 30, 2020.

8. If an employer elects to use cash accounting, do they need to compare the prior reference period using cash accounting as well?

- Yes. It is our understanding that the same methodology should be applied to both the current period and prior period.

9. Does the CEWS subsidy apply to contractors?

- No. An employer must have a payroll in order to qualify for CEWS.

10. Can employers receive CEWS for new employees hired during the crisis?

- Yes, if the new employee is an arm's length employee.
- No, if the new employee is a non-arm's length employee (i.e. a relative of the owner).

10 Percent Temporary Wage Subsidy (TWS)

The 10 percent Temporary Wage Subsidy for Employers is a 3-month measure that will allow eligible employers to reduce the amount of payroll deductions required to be remitted to the CRA.

The subsidy is equal to 10 percent of the remuneration you pay from March 18, 2020 to June 19, 2020, up to \$1,375 for each eligible employee to a maximum of \$25,000 total per employer.

WHO IS ELIGIBLE FOR THE SUBSIDY?

Eligible employers are eligible for the subsidy if they:

- are a(n):
 - individual (excluding trusts)
 - partnership,
 - non-profit organization,
 - registered charity, or
 - Canadian-controlled private corporations ("CCPC");
- have an existing business number and payroll program account with the CRA on March 18, 2020; and
- pay salary, wages, bonuses, or other remuneration to an eligible employee.

An **eligible employee** is an individual who is employed in Canada.

Partnerships are only eligible for the subsidy if their members consist exclusively of individuals, registered charities, other partnerships eligible for the subsidy, or eligible CCPCs.

CCPCs are only eligible for the subsidy if they have a business limit for their last taxation year that ended before March 18, 2020, greater than nil (determined without reference to the passive income business limit reduction).

An employer that is part of an associated group that has over \$15 million of "taxable capital" in the year prior to the last taxation year noted above, in aggregate, will not qualify for this subsidy since the "eligible employer" definition requires entitlement to at least \$1 of small business limit.

Associated CCPCs will not be required to share the maximum subsidy of \$25,000 per employer.

HOW DO I CALCULATE THE SUBSIDY?

The subsidy is calculated manually by who ever is making the payroll remittances, usually an outside payroll service provider. The CRA will not automatically calculate the allowance subsidy.

You will continue deducting income tax, CPP contributions and EI premiums from salary, wages, bonuses, as you currently do. The subsidy is calculated when you remit these amounts to the CRA.

Once you have calculated your subsidy, you can reduce your current payroll remittance of federal, provincial, or territorial income tax that you send to the CRA by the amount of the subsidy.

You cannot reduce your remittance of CPP contributions or EI premiums. You must continue remitting the CPP contributions and EI premiums that you deducted from your employees, as well as your share of CPP contributions and EI premiums, to the CRA.

HOW DO I APPLY FOR THIS SUBSIDY?

You can start reducing payroll remittances for income tax in the first remittance period that includes remuneration paid from March 18, 2020 to June 19, 2020.

If you choose not to reduce your payroll remittances during the year, you can still calculate the 10 percent Temporary Wage Subsidy on remuneration paid from March 18, 2020 to June 19, 2020. At the end of the year, the CRA will pay the amount to you or transfer it to your next year's remittance.

COMMON QUESTIONS AND ANSWERS

1. Is the subsidy considered taxable income?

- Yes. CEWS is considered government assistance, which means that the CEWS amount received is taxable to you in the tax year received.

2. What if my business is closed?

- If you did not pay salary, wages, bonuses or other remuneration to an eligible employee from March 18, 2020 to June 19, 2020, you cannot receive the subsidy, even if you are an eligible employer.

3. What books and records do I need to support the subsidy?

- You will need to keep information to support your subsidy calculation This includes:
 - the total remuneration paid from March 18, 2020 to June 19, 2020;
 - the federal, provincial or territorial income tax that was deducted from that remuneration; and
 - the number of eligible employees employed in that period.

Canada Emergency Commercial Rent Assistance (CECRA)

On April 24, 2020, the Prime Minister announced a partnership with the provinces and territories to deliver the Canada Emergency Commercial Rent Assistance (CECRA) for small businesses.

According to the Prime Minister, this program will lower rent by 75 percent for small businesses that have been affected by COVID-19. Further details will follow, however, the government provided the following details at the time of their announcement:

- The program will provide forgivable loans to qualifying commercial property owners to cover 50 percent of 3 monthly rent payments that are payable by eligible small business tenants who are experiencing financial hardship during April, May, and June.
- The loans will be forgiven if the mortgaged property owner agrees to reduce the eligible small business tenants' rent by at least 75 percent for the 3 three corresponding months under a rent forgiveness agreement, which will include a term not to evict the tenant while the agreement is in place. The small business tenant would cover the remainder, up to 25 percent of the rent.
- Impacted small business tenants are businesses paying less than \$50,000 per month in rent and who have temporarily ceased operations or have experienced at least a 70 percent drop in pre-COVID-19 revenues. This support will also be available to non-profit and charitable organizations.

It is expected that CECRA will be operational by mid-May, and further details will be announced soon.

Canada Emergency Business Account (CEBA)

The new Canada Emergency Business Account (CEBA) will provide interest-free loans of up to \$40,000 to small business and not-for-profits, to help cover their operating costs during a period where their revenues have been temporarily reduced. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25 percent (up to \$10,000).

To qualify, these organizations will need to demonstrate they paid between \$20,000 to \$1.5 million in total payroll in 2019.

WHO IS ELIGIBLE FOR CEBA?

- The Borrower is a Canadian operating business in operation as of March 1, 2020.
- The Borrower has a federal tax registration.
- The Borrower's total employment income paid in the 2019 calendar year was between \$20,000 and \$1,500,000.
- The Borrower has an active business chequing/operating account with the Lender, which is its primary financial institution. This account was opened on or prior to March 1, 2020 and was not in arrears on existing borrowing facilities, if applicable, with the Lender by 90 days or more as at March 1, 2020.
- The Borrower has not previously used the Program and will not apply for support under the Program at any other financial institution.
- The Borrower acknowledges its intention to continue to operate its business or to resume operations.
- The Borrower agrees to participate in post-funding surveys conducted by the Government of Canada or any of its agents.

ARE THERE ANY RESTRICTIONS ON HOW I CAN USE CEBA FUNDS?

The funds from this loan shall only be used by the Borrower to pay non-deferrable operating expenses of the Borrower including, without limitation, payroll, rent, utilities, insurance, property tax and regularly scheduled debt service, and may not be used to fund any payments or expenses such as prepayment/refinancing of existing indebtedness, payments of dividends, distributions and increases in management compensation.

It is up to the banks to qualify the applicants according to the criteria above.

HOW DO I APPLY FOR CEBA?

Business owners must apply for support through their banks.

Temporary Ontario Employer Health Tax (EHT) Exemption

The announcement from Ontario temporarily increases the EHT exemption. Under this change, employers with a total annual payroll of less than \$5 million would be exempt from EHT on up to \$1 million (from \$490,000) of their payroll, retroactive to January 1, 2010.

The exemption threshold will return to its current level of \$490,000 of payroll on January 1, 2021. The highest EHT rate is 1.95 percent. The maximum potential tax savings from this change will be \$9,945.

HOW DO I APPLY FOR THIS BENEFIT?

The EHT exemption increase can be claimed as part of a businesses regular Ontario EHT tax filings.

Deferred Workplace Safety and Insurance Board (WSIB) Premiums

This relief will allow employers to defer premium payments until August 31, 2020. Premium deferral impacts those employers who report and pay monthly, quarterly or annually based on their insurable earnings. Also, no interest will accrue on outstanding premium payments and no penalties will be charged during the deferral period.

Each customer reports and pays on the previous full month or quarter, for example March 31 reporting and payment obligation covers the period of February 1 – 29.

The following payments are eligible for deferral:

- Monthly: March 31, April 30, May 31, June 30, July 31
- Quarterly: April 30, July 31
- Annual: April 30

HOW DO I APPLY FOR THIS BENEFIT?

No action is required by the employers to take advantage of the deferred premium payments. All employers covered by the WSIB's workplace insurance are automatically eligible for the financial relief package. This means that businesses can defer premium reporting and payments until August 31, 2020.

Employers will not be required to opt in to receive this benefit and businesses are not required to inform the WSIB they are taking advantage of this measure.

Changes Affecting Individuals

Canada Emergency Response Benefit (CERB)

The previously proposed **Emergency Care Benefit** and **Emergency Support Benefit** announced on March 18, 2020 are now combined into the **Canada Emergency Response Benefit (CERB)**.

The CERB will provide a taxable benefit of \$2,000 per month for up to 4 months for the following:

- workers who must stop working due to COVID19 and do not have access to paid leave or other income support.
- workers who are sick, quarantined, or taking care of someone who is sick with COVID-19.
- working parents who must stay home without pay to care for children that are sick or need additional care because of school and daycare closures.
- workers who still have their employment but are not being paid because there is currently not sufficient work and their employer has asked them not to come to work.
- wage earners and self-employed individuals, including contract workers, who would not otherwise be eligible for Employment Insurance.

The legislation requires the applicant of the CERB to be an "eligible worker", which means that they must be:

- at least 15 years of age;
- resident in Canada; and
- for 2019 or in the 12 month period preceding the day on which they make an application had a total income of at least \$5,000 from
 - employment;
 - self-employment; and
 - certain EI benefits (maternity and parental benefits).

Important Comments on the Eligibility of Claiming the CERB

- The employed or self-employed worker must cease work within any 4-week application period for reasons related to COVID-19 for at least 14 consecutive days within the 4-week period in respect of which they apply for the payment.
- For the period of cessation of work, the applicant cannot receive employment income, self-employment income or any other EI benefits over \$1,000 per month while collecting CERB.
- Workers that quit voluntarily are not eligible for the CERB.
- CERB benefits will be paid every 4 weeks and will be available from March 15, 2020 to October 3, 2020 and are expected to arrive within 10 days of submitting the application.
- Canadians already receiving EI regular benefits should not apply for the CERB. EI benefits will continue to be paid. However, if EI benefits end before October 3, 2020 and if the taxpayer is unable to return to work due to COVID-19 then an application for CERB benefits can be made.
- Canadians who have already applied for EI and whose application has not yet been processed will not need to reapply.
- The government has also extended the CERB to seasonal workers who have exhausted their EI regular benefits and are unable to undertake their regular seasonal work because of COVID-19.

HOW DO I APPLY FOR THIS BENEFIT?

A secure web portal for accessing the CERB is currently accessible via the link below. The portal will take you through a short questionnaire to determine your eligibility and process the application accordingly.

<https://www.canada.ca/en/services/benefits/ei/cerb-application.html>

Student Benefits

Canada Emergency Student Benefit

On April 21, 2020, the Prime Minister proposed the Canada Emergency Student Benefit, which will provide support to students and new graduates who are not eligible for the Canada Emergency Response Benefit (CERB).

This benefit will provide \$1,250 per month for eligible students or \$1,750 per month for eligible students with dependents or disabilities. The benefit will be available to students from May to August 2020.

Further details are expected from the government soon about the eligibility, how to apply and when the application process will be open.

Canada Student Service Grant

On April 21, 2020, the Prime Minister also proposed the Canada Emergency Service Grant, which is intended to help students gain valuable work experience and skills while they help their communities during the COVID-19 pandemic. For students who choose to do national service and serve their communities (i.e. volunteer), the new Canada Service Grant will provide up to \$5,000 for their education in the fall.

Further details are expected from the government soon about the eligibility, how to apply and when the application process will be open.

Student Loans

Effective March 30th, the federal government is placing an interest-free moratorium on the repayment of Canada Student Loans for all student loan borrowers. No payment will be required and interest will not accrue during this time.

HOW DO I APPLY FOR THIS BENEFIT?

Students do not need to apply for the repayment pause. It will occur automatically.

It should also be noted that most provinces and territories with student loan programs are also following the federal government's relief on payment and interest on student loans.

One Time GST Credit for Individuals

This 1-time special payment will start being paid on April 9th through the GST credit for low and modest income families and there is no need to apply.

The average additional benefit will be close to \$400 for single individuals and close to \$600 for couples.

The maximum entitlement will be \$443 for single individuals and \$580 for couples. An extra \$153 for each child under the age of 19 and residing with the individual will also be provided.

Similar to the normal GST credit, the 1-time GST credit begins phasing out at 5 cents for every dollar of family income earned in 2018 over \$37,789.

HOW DO I APPLY FOR THIS BENEFIT?

- GST credits for the period July 2019 to June 2020 are determined and processed as part of your 2018 T1 Individual Income tax filings. There is no need to apply for this payment. If you are eligible, you will get it automatically.
- If you are eligible, you will get it automatically starting April 9th. There is no requirement to file 2019 personal tax returns in order to receive it.

Canada Child Benefit (CCB)

An extra \$300 per child will be paid to taxpayers who already receive the CCB. This benefit will be paid as part of the scheduled CCB payment in May.

The CCB is calculated every July, with the benefit payment being calculated based on adjusted family net income from the previous year. Entitlement to this additional amount is based on the 2018 taxation return, so individuals will not be required to file their 2019 return in order to obtain this increased CCB amount in May 2020.

HOW DO I APPLY FOR THIS BENEFIT?

- There are 3 main ways to apply for the CCB
 - When you have a newborn you can register for the CCB by paper at the hospital.
 - You can register online through “My Account” (your personal CRA account).
 - You can file by mail using Form RC66, Canada Child Benefits Application.
- Visit the following web link for further details for registration:
 - <https://www.canada.ca/en/revenue-agency/services/child-family-benefits/canada-child-benefit-overview/canada-child-benefit-apply.html>
- Those who already receive the CCB do not need to re-apply.

RRIF Withdrawals

For seniors with Registered Retirement Income Funds (RRIF's), the required minimum withdrawals will be reduced by 25 percent for 2020 so that seniors may avoid unnecessary liquidation and withdrawals while stock market conditions are unfavourable and allow for a deferral of tax on funds not needed to meet living expenses.

HOW TO APPLY FOR THIS BENEFIT

The taxpayer holding the RRIF account will need to coordinate with their bank or investment advisor to reduce the RRIF payments.

A memorandum of this nature cannot be all-encompassing and is not intended to replace professional advice. Its purpose is to highlight tax planning possibilities and identify areas of possible concern. Anyone wishing to discuss the contents or to make any comments or suggestions about this TaxTalk is invited to contact one of our offices.

Offices:	First Canadian Place	1900 Minnesota Court, Suite 116
	100 King Street West, Suite 5700	Mississauga, Ontario L5N 3C9
	Toronto, Ontario M5X 1C7	Phone: 905-451-4788
	Phone: 416-362-0515	Fax: 905-451-3299

TaxTalk is prepared by our Tax Group.

If you have any questions or comments they can be contacted by email at taxtalk@mgca.com.

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