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Workplace Law Update

COVID-19 and the Workplace: Further Updates on Recent Federal Announcements

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Employers are facing unprecedented times in dealing with the impact of the global COVID-19 pandemic on their workplaces. In this bulletin, Aird & Berlis' Workplace Law Group provides a further update on recent announcements by the federal government that apply to employers.

[Click here](#) to view our past bulletin of March 23, 2020, outlining the various provincial and federal announcements in place at the time.

Federal Response Plan

On March 18, 2020, the federal government announced the details of its [Economic Response Plan](#). The plan has since been refined and various details have been clarified and/or updated. The summary of updated initiatives is as follows:

i. Canada Emergency Response Benefit ("CERB")

Note: This merges the previously announced Emergency Care and Emergency Support Benefits.

The new CERB will provide a taxable benefit of \$2,000 a month for up to four months for every Canadian who made at least \$5,000 in the last 12 months or previous tax year, and who has lost their income due to COVID-19, whether or not they are regularly eligible for EI. The CERB will be available in early April, and all those eligible will receive the payment on a bi-weekly basis for a period of up to 16 weeks. Eligible Canadians include:

- Employees who must stop working due to COVID-19 and do not have access to paid leave or other income support;
- Employees 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;
- Employees 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; and
- Wage earners and self-employed individuals, including contract workers, who would not otherwise be eligible for Employment Insurance.

The application process will be through a Service Canada online portal at a link that will be published widely when the site goes live. Individuals will also be able to apply over the phone or in person, where available.

Temporarily laid-off employees can still receive the CERB, but they must not be receiving payment from their employer at the same time.

Those who qualify for EI will automatically qualify for the CERB as well. If an individual is already receiving EI, they will continue to receive it. If an individual's application for EI is currently pending, they do not need to reapply for the CERB benefit, as their application will be transferred to the new system.

Note that if individuals qualify for EI, but gain access to this new benefit, they will still be able to claim EI at the end of the 16-week period covered by the CERB. If they are already receiving EI benefits that expire before October 3, 2020 when the CERB eligibility period ends, they can claim the new benefit at the end of their EI eligibility. Individuals cannot, however, receive EI and the CERB at the same time.

ii. Temporary Wage Subsidy for Employers

On March 29, 2020, the federal government announced an increase to the temporary wage subsidy program it had previously announced. Further details were released on April 1, 2020, with the program now referred to as the "Canada Emergency Wage Subsidy."

Under the new program, the federal government will be offering a 75 per cent wage subsidy for qualifying businesses. The program will be in place for a 12-week period, from March 15 to June 6, 2020.

The subsidy is intended for employers no matter the size of their organization or number of employees, with the exception of public sector entities. Eligible employers who suffer a reduction in gross revenues of at least 30 per cent in March, April or May (when compared to the same month in the year prior) will be able to access the subsidy.

Note that for non-profit organizations and registered charities, the government has announced that it will continue to work with the sector to ensure the definition of revenue is appropriate to their circumstances. Further details are expected to be announced soon.

Eligible employers will be able to access the Canada Emergency Wage Subsidy by applying through a Canada Revenue Agency online portal. The federal government has announced it will be providing more details regarding how to apply for the program shortly. Those organizations that do not qualify for the Canada Emergency Wage Subsidy may continue to qualify for the previously announced wage subsidy of 10 per cent of remuneration paid from March 18 to before June 20, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer.

iii. Business Credit Availability Program ("BCAP")

On March 13, 2020, the government announced the establishment of a Business Credit Availability Program to help Canadian businesses obtain financing during the current period of significant uncertainty. The BCAP will support access to financing for Canadian businesses in all sectors and regions.

Canada Emergency Business Account

The new Canada Emergency Business Account will provide interest-free loans of up to \$40,000 to small businesses and not-for-profits to help cover their operating costs during a period where their revenues have been temporarily reduced.

To qualify, these organizations will need to demonstrate they paid between \$50,000 to \$1 million in total payroll in 2019.