

COVID-19 - Federal Economic Response Plan Summary

Ministry of Heritage, Sport, Tourism and Culture Industries

Friday, March 20, 2020

Revised as of March 24, 1030hrs

Purpose

- To provide a summary of the programs announced as part of the Government of Canada's *COVID-19 Economic Response Plan*, in addition to other business credit and liquidity support measures that have also been announced. These measures include an \$82 billion stimulus package with up to \$27.4 billion in direct support and \$55 billion to help business liquidity through tax deferrals.
- Key Measures include:
 - Business Credit Availability Program (BCAP) (Business Support)
 - 10% Wage Subsidy (Business Support)
 - Tax Deferral (Business and Individual Support)
 - Emergency Care Benefit (Individual Support)
 - Emergency Support Benefit (Individual Support)
 - Indigenous Community Support Fund (TBD)

Please refer to federal department through links provided for specific questions. MHSTCI is not the owner of these programs.

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Overview

- Ontario's culture, tourism and sport and recreation sectors are facing significant impacts as a result of the COVID-19 outbreak, including closures, revenue loss and temporary suspension of events and other business activities.
- These sectors include many small- to medium-sized businesses and not-for-profit organizations, in addition to part-time, self-employed, independent contractors and freelance workers who are more vulnerable to significant economic impacts from sudden loss of earnings.
- The federal stimulus package provides general support for workers and families and businesses at large, not targeted direct support for specific industries.
- Key benefits to the ministry's sectors are expected to relate primarily to:
 - Support for staff wages (e.g., 10% wage subsidy), which may be of limited value with widespread closures and event cancellations.
 - Income support for workers who are quarantined or sick, or looking after family members, and for those who lose their jobs or face reduced hours – including the self-employed/freelance workers.
- The federal government has indicated that further measures may be introduced in the coming days and weeks. For the latest updates and information, visit:
<https://www.canada.ca/en/services/business/maintaingrowimprovebusiness/resources-for-canadian-businesses.html>

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Canada's Regional Development Agencies

- Canada's Regional Development Agencies (RDAs) are the front line for economic development in Canada and help to address key economic challenges by providing regionally tailored programs, services, knowledge and expertise.
- For Tourism operators or small- or medium- sized businesses or organizations that have received RDA funding and COVID-19 is affecting operations, they are encouraged to contact their local RDA office. Local RDA office's can review situation and provide guidance.
 - May be eligible to receive additional funding and/or flexible arrangements.
 - Further support will be determined on a case-by-case basis as the situation evolves.
- For tourism operators or small- or medium- sized businesses or organizations impacted by the sudden shifts in the economy and need pressing assistance, the RDAs could assist with:
 - Access to federal funding to help you stay in business.
 - Advice and pathfinding services to other federal programs and services available.
- Federal Regional Development Agencies in Ontario:
 - FedDevOntario 1-866-593-5505
 - FedNor 1-877-333-6673

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Business Credit Availability Program (BCAP) (Business Support)

Eligibility: The program is largely targeted to small and medium-sized Canadian businesses.

Delivered by: Business Development Bank of Canada (BDC) and Export Development Canada (EDC)

Total Program Amount/Impact: \$10 Billion

Amount:

- Working capital loans of up to \$2M with flexible terms and payment postponements for up to 6 months for qualifying businesses;
- Postponement of payments for up to six months, free of charge, for existing BDC clients with total BDC loan commitment of \$1M or less;
- Reduced rates on new eligible loans;
- Additional details regarding the BCAP measures, including industry specific support, to be announced in the coming days.

Timing: Immediately

How to apply:

- Businesses seeking support through BCAP should first contact their financial institutions for an assessment of their situation.
- Financial institutions will refer to EDC and BDC their existing clients whose needs extend beyond what is available through the private sector alone.
- Existing BDC clients should reach out to their account manager for additional information.*
- Additional details regarding the BCAP measures to be announced in the coming days. For more information, refer to <https://www.bdc.ca/en/pages/special-support.aspx?special-initiative=covid19>
- *Note: For BDC, eligible businesses need to be financially viable prior to the impacts of the Coronavirus.

MHSTCI Sectors: All

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10% Wage Subsidy (Business Support)

Eligible Employers:

- Non-profit organization, registered charity, or a Canadian-controlled private corporation (CCPC) (if taxable capital employed in Canada for the previous taxation year is less than \$15M);
- 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 employee.

Delivered by: Canada Revenue Agency

Total Program Amount/Impact: \$3.8B

Amount:

- Temporary subsidy will be equal to 10% of remuneration paid for a period of three months, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer.

Timing: Immediately

- Subsidy is permitted if eligible employers pay remuneration to an employee (e.g. salary, wages, or taxable benefits), on or after March 17th and before June 20th.

How to apply:

- Businesses will be able to benefit immediately from this support by reducing their remittances of income tax withheld on their employees' remuneration.
- This measure is only applicable to remittances made to the CRA.
- FAQ: <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>

MHSTCI Sectors: All

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Tax Deferral

Eligibility: Individuals and Businesses

Delivered by: Canada Revenue Agency

Total Program Amount/Impact: \$55 Billion

Amount: Estimated \$55B in financial support

Timing:

- Tax filing deadline for individuals: June 1, 2020
- Tax payment deferral for individuals and businesses (without penalty): Until after August 31, 2020

How to apply:

Some details are on the [CRA website](#).

- One of three channels to file taxes:
 - File online using NETFILE – CRA certified tax-filing software
 - File on paper
 - File via telephone using the free and secure File my Return service

Sectors this applies to: all MHSTCI sectors

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Emergency Care Benefit (Individual)

Eligibility: Temporary income support to workers who have to stay home and don't have access to paid sick leave, including those who are sick / quarantined or who are taking care of a child or someone who is sick.

Delivered by: Canada Revenue Agency

Total Program Amount/Impact: Up to \$10B

Amount: Up to \$900 bi-weekly

Timing of Implementation: Early April

Timing: Up to 15 weeks

- Waives the one-week waiting period and doctor's note requirement for quarantined individuals claiming Employment Insurance (EI) benefits.

How to apply:

- Some details are on the Ministry of Finance [website](#)
- Application for the benefit is expected to be available in April 2020
- Applicants will need to reconfirm their eligibility every two weeks
- One of three channels to apply:
 - access it on CRA MyAccount secure portal
 - access it from secure My Service Canada Account
 - call toll-free number (not available yet) equipped with an automated application process.

MHSTCI Sectors: All

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Emergency Support Benefit (Individual)

Eligibility: Canadian workers who are not eligible for EI and are facing unemployment as a result of COVID-19

Delivered by: Canada Revenue Agency

Amount: Up to \$5B in total funding

Timing:

- Targeting role out in early April

How to apply:

- Some program details on Canada.ca (Department of Finance) [website](#)
- No application details provided at this time

MHSTCI Sectors: All

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Indigenous Community Support Fund

Eligibility: Indigenous communities

Delivered by: Indigenous Services Canada (1-800-567-9604)

Total Program Amount/Impact: \$305 million

Amount: To be announced (TBA)

Timing of Implementation: April

Timing: TBA

How to apply: TBA

MHSTCI Sectors: Ontario's Indigenous tourism businesses

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Appendix: Economic Response Plan Cost & Implementation

Measure	2020-2021 Cost/Impact	Implementation
Emergency Care Benefit	Up to \$10 billion	Early April *requires Royal Assent
Emergency Support Benefit	Up to \$5 billion	Early April *requires Royal Assent
GST Credit	\$5.5 billion	By Early May *requires Royal Assent
Enhanced Canada Child Benefit	\$1.9 billion	May * requires Royal Assent
Temporary Business Wage Subsidy	\$3.8 billion	Immediately Supporting legislation to follow
Canada Student Loan Payments	\$190 million	Early April * requires Royal Assent
Support for Indigenous Communities	\$305 million	April *requires Royal Assent
Support for people experiencing homelessness (through Reaching Home)	\$157.5 million	April *requires Royal Assent
Support for women's shelters and sexual assault centres including on reserve	\$50 million	April *requires Royal Assent
Lower Registered Retirement Income Fund Minimum Withdrawal Amounts	\$495 million	Immediately Supporting legislation to follow
Total	\$27.4 billion	

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Appendix: Economic Response Plan Cost & Implementation

Other supports	2020-2021 Cost/Impact	Implementation
Flexibility for individual and corporate taxpayers (tax payment deferral until September)	\$55 billion	Immediately
Business Credit Availability Program (BCAP) through BDC and EDC	\$10 billion +	Immediately
Credit and liquidity support through financial Crown corporations, Bank of Canada, OSFI, CMHC and commercial lenders (e.g., Domestic Stability Buffer, Insured Mortgage Purchase Program, Banker's Acceptance Purchase Facility)	In the range of \$500 billion	Immediately