

## **What does the new Government Stimulus package mean for you and your employees?**

What Does the New Government COVID-19 Stimulus Package Mean for You and Your Employees? From EI to Wage Subsidies.

March 18, 2020, Canada's Government announced their COVID-19 Economic Response Plan. Like us, and many of our clients, you may have been waiting to hear what support Canadian small businesses and individuals, impacted by this pandemic, were going to receive.

Like me though, you may have struggled to understand the government language, and what the direct impacts are for your businesses and your employees were. BLANKSLATE thought we would put it into clear language.

\*\*\*Please note - we are focusing on the HR side. There was a lot of info in regards to taxes and finances but we are NOT accountants so we aren't speaking to that!\*\*\*

## **What this means for the employer:**

Many small businesses are facing revenue losses and as we know, for the small business cash is king. The government is trying to help with that cash flow.

One of the largest burdens a company carries is its payroll. The government is proposing help to try and prevent lay-offs:

UPDATED: re new wage subsidy. Eligible small employers will be able to access a 75% temporary wage subsidy for a period MORE DETAILS COMING ON THIS. We anticipate having this information by April 2nd

Effective immediately and back dated to March 15th, businesses will be able to reduce their remittance of income tax withheld on their employees remuneration. (If you outsource your payroll through a payroll service provider such as Rise or Payment Evolution, ask them HOW this will happen on their back end? You might need to think about manually running payroll.) We will update this on Who's Eligible AND how to do this when we have the info.

## What it means for your employees:

### Short Term support

For people, without paid sick leave OR the ability to continue their role remotely, that are sick, quarantined or forced to stay home with children, the following applies:

They can access EI immediately. There is no 1 week waiting period. (Step by step guide how to do this coming soon.)

The need to provide a medical certificate to access EI sickness benefits has been waived. (What we read from this is if you are sick STAY home, help ease the health systems and doctor office wait rooms if you do not need the medical assistance.)

The above is available to your people NOW.

For workers who are quarantined but do not qualify for EI sickness benefits (So at home looking after someone):

They can access up to 15 weeks EI Care Benefit

Application for benefits will be available in April 2020.

**Please note that you still have to meet basic eligibility requirements.** For example; in Victoria a basic requirement is 700 working hours in the past 52 weeks - but only Service Canada can confirm your eligibility

Your employees can access these support avenues online through their CRA My Account, My Service Canada Account OR calling service Canada toll free with an automated application.

## **Long Term**

For individuals who lose their jobs or face reduced hours:

Those that have been temporarily laid off, face reduced hours or have lost their jobs due to COVID-19, they can access EI support immediately.

Employees who agree to reduce their hours and share their role with a colleague (also on reduced hours) the Government has a Work-Sharing program, which allows your employees to access EI assistance. The Government recently extended the maximum duration of Work-Sharing from 38 weeks to 76 for businesses affected by COVID-19.

## **What else can you do?**

### **Top Up's**

As an employer, you can “**top up**” the salary of an employee who is on a temporary layoff!

We recommend employers create and register a Supplementary Unemployment Benefit Plan (SUBP) to top-up employees' weekly earnings.

Payments from SUBP that are registered with Service Canada are not considered 'earnings' and are not deducted from an employee's EI benefits.

An overview of the Supplemental Unemployment Benefit Plan is available [here](#) . An overview of the SUBP requirements is available [here](#).

### **Reduce Hours**

As opposed to laying off your workforce, you could consider asking the entire company to

work reduced hours.

## **Voluntary Salary reductions**

Some companies have done voluntary salary reductions while still working the same hours. (Everyone is reduced by 20% as an example) With the introduction of significantly more EI benefits (see above) there are potentially better solutions, or at least a tipping point where other solutions, provided by the government, will make more economic sense.

Read the full announcement [here](#):