

HELPING BUSINESSES AND EMPLOYEES FINANCIALLY COPE DURING COVID-19

ARE YOU LAYING OFF STAFF DUE TO WORK CLOSURE?	CANADA EMERGENCY RESPONSE BENEFIT (CERB)	HELP FOR SMALL AND MEDIUM BUSINESSES
<ul style="list-style-type: none"> • Employee can apply for regular EI benefits • Between 420 and 700 hours of insurable employment based on the unemployment rate in your area during the qualifying period to qualify for regular benefits • Employer to issue ROE for employee to access EI • No waiting period • Maximum amount Canadians can receive through EI is \$573 per week, which works out to slightly under \$2,300 every four weeks – slightly more generous than CERB • Canadians who qualify for EI can continue to apply for their normal benefits during and after the period covered by CERB 	<p>Eligibility Requirements:</p> <ul style="list-style-type: none"> • Workers who live in Canada and are at least 15 years old • Workers stopped working because of COVID-19 or are eligible for EI regular or sickness benefits • Workers have not voluntarily quit their job • Work had income of at least \$5,000 in 2019 or in the 12 months prior to the date of their application • Not contingent upon insurable hours • Seasonable workers who have exhausted their EI regular benefits and are unable to undertake their regular seasonal work as a result of the COVID-19 outbreak • Workers who recently exhausted their EI regular benefits and are unable to find a job or return to work because of COVID-19 • People can earn up to \$1,000/month while collecting CERB 	<p>Canada Emergency Wage Subsidy (CEWS)</p> <ul style="list-style-type: none"> • Goal: to keep employees on the payroll or be rehired from lay off and better position employers to more easily resume normal operations following the crisis • Wage subsidy is retroactive to March 15, 2020 and until June 6, 2020; applications • There is no overall limit on the subsidy amount that an eligible employer may claim • Subsidy amount for a given employee would be greater of: <ul style="list-style-type: none"> ○ 75% of the amount of remuneration paid, up to a max benefit of \$847/week; and ○ the amount of remuneration paid, up to a max benefit of \$847/week or 75% of the employee’s pre-crisis weekly remuneration, whichever is less • Employers may be eligible for a subsidy up to 100% of the first 75% of pre-crisis wages or salaries of existing employees; these employees would be expected where possible to maintain

	<ul style="list-style-type: none"> • Cannot be earning any wages or income to qualify • Benefits will run from March 15 to October 3, 2020 • All those eligible for the CERB, regardless of how much they made before, will get \$2,000 every four weeks, paid biweekly, for up to four months. The eligibility period ends on October 3 • Seasonal workers who exhausted EI regular benefits and are unable to undertake <p>Details of CERB:</p> <p>Taxable benefit of \$2,000 a month for up to 4 months to:</p> <ul style="list-style-type: none"> • Workers who are still working but not receiving income because of disruption to their work situation due to COVID-19 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 who are sick or at home because of school and daycare closures • Workers who are still employed but are not being paid because there is currently not sufficient work and their employer has asked them not to come to work 	<p>existing employees' pre-crisis employment earnings</p> <ul style="list-style-type: none"> • Pre-crisis remuneration for an employee is based upon the average weekly remuneration paid between Jan 1 and March 15, inclusively, excluding any 7-day periods in respect of which the employee did not receive remuneration • Remuneration includes salary, wages, other remuneration like taxable benefits; it excludes severance pay, stock option benefits, or personal use of corporate vehicle • Special rule for employees that do not deal at arm's length with the employer; the subsidy amount is limited to the eligible remuneration period paid in any pay period between March 15 to June 6, 2020, up to a max benefit of the less of \$847/week and 75% of the employee's pre-crisis weekly remuneration; the subsidy is only available in respect of non-arm's length employees employed prior to March 15, 2020 • Employers also eligible for a subsidy of up to 75% of salaries and wages paid to new employees • Eligible employers include individuals, taxable corporations, partnerships consisting of eligible partners, non-profit organizations and registered charities • Does not include public bodies, such as municipalities and local governments, Crown corporations, wholly owned municipal
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	<ul style="list-style-type: none"> • Wage earners, contract workers and self-employed individuals who would not otherwise be eligible for EI and are unable to work due to COVID-19 • CERB will be accessible through a web portal starting in early April • Benefit will be available through the CRA's online "My Account" portal • Can expect to receive payments within three days if they choose direct deposit and 10 days by cheque • Canadians who were already receiving EI unemployment or sickness benefits as of March 25 will continue to receive the benefits and should not apply to CERB. This raises the question of whether Canadians who are receiving EI benefits of less than \$2,000 a month will get temporarily stuck with the lower benefit • Federal government announced that Canadians whose EI benefits run out before Oct. 3 would be able to apply for CERB if they are still unable to return to work because of COVID-19 • If a person's application for EI is pending, they do not need to reapply: their application will be transferred to the new system and they will receive the CERB <p><i>This benefit replaces the previously announced Emergency Care Benefit and Emergency Support Benefit</i></p>	<p>corporations, public universities, colleges, schools and hospitals</p> <ul style="list-style-type: none"> • Subsidy available to eligible employers that see a drop of at least 15% of their revenue in March 2020 and 30% for the following months • Employers will have to attest to the decline in revenue (which is defined) • Employers apply for CEWS through CRA's <i>My Business Account</i> portal, as well as web-based applicati
	<p>Temporary Wage Subsidy</p> <ul style="list-style-type: none"> • 10% temporary wage subsidy for employers for 3-months • eligible employers include partnership, individual, non-profit organization, registered charity, Canadian-controlled private corporation • need to have existing business number and payroll program account with CRA on March 18, 2020; and • pay salary, wages, bonuses or other remuneration to employee who is employed in Canada • subsidy is equal to 10% of remuneration you pay from March 18 to June 19, 2020 up to \$1,375/eligible employee to a maximum of \$25,000 total per employer • employer is responsible for manually calculating the subsidy; CRA will not do this • employer doesn't have to apply for this; instead, the subsidy is calculated when employer remits 	

		<p>the deducted income tax, CPP contributions and EI premiums as per normal practice</p> <ul style="list-style-type: none"> • this is effective April 15, 2020
<p>Alternatives to Lay-off</p>	<p>Supplementary Employment Insurance Benefits Top-up</p>	<p>Refund For Certain Employer Payroll Contributions</p>
<p>Work Share Agreement</p> <p>Work-sharing is a program designed to help eligible employers avoid layoffs when there is a temporary reduction in the normal level of business activity (that is beyond the control of the employer). The program is available to both federally and provincially regulated employers.</p> <p>Employment Insurance Benefits are provided for eligible employees as income support.</p> <ul style="list-style-type: none"> • Affected employees must agree to work a reduced schedule and share available work over a specified period of time. • Both the employer and the employee must apply to participate in a Work-Sharing program together. <p>The mandatory waiting period has also been waived so that employers with a recently expired agreement may immediately apply for</p>	<p>A Supplementary Unemployment Benefit Plan (SUBP) can be established by an employer to top up employees' EI benefits during a period of unemployment due to a temporary layoff for, among other things, sickness.</p> <p>A SUBP should be registered with Service Canada and must meet the requirements set out below, otherwise it will be treated as income and any EI benefits received may be reduced.</p> <p>Article 37(2) of the EI Regulations require that a SUBP:</p> <ul style="list-style-type: none"> • identify the group or groups of employees covered by the plan; • cover any period of unemployment by reason of a temporary stoppage of work, training, illness, injury, quarantine or any combination of such reasons; • require employees to apply for and be in receipt of benefits in order to receive payments under the plan but may provide for payments to an employee who is not 	<ul style="list-style-type: none"> • 100% refund for certain employer-paid contributions to Employment Insurance, the Canada Pension Plan, the Quebec Pension Plan, and the Quebec Parental Insurance Plan for 100% of employer-paid contributions for eligible employees for each week throughout which the employees are on leave with pay and for which the employer is eligible to claim for the CEWS for those employees

<p>a new agreement, without waiting between applications.</p> <p>Which employers are eligible?</p> <p>How do I know if I am an eligible employer?</p> <ul style="list-style-type: none"> • been in business in Canada year-round for at least two (2) years • be a private business, publicly held company or a not-for-profit organization • demonstrate that the shortage of work is temporary and beyond their control • demonstrate a recent decrease in business activity of approximately 10%; and • submit and implement a recovery plan designed to return the Work-Sharing individuals to normal working hours by the end of the program. <p>Employers can't use WS agreements for:</p> <ul style="list-style-type: none"> • seasonal, or students hired for the summer or co-op term; • hired on a casual or on-call basis; or • shareholders of the business, whose shares provide them with significant decision-making power as to the direction of the company. 	<p>in receipt of benefits for the reason that the employee:</p> <ul style="list-style-type: none"> ○ is serving the waiting period, <ul style="list-style-type: none"> • require that the combined weekly payments received from the plan and the portion of the weekly benefit rate from that employment do not exceed 95 per cent of the employee's normal weekly earnings from that employment; • payments under the plan be financed by the employer and that the employer keep separate accounts for those payments; • require that, on termination of the plan, all remaining assets revert to the employer or be used for payments under the plan or for administrative costs of the plan • require that the plan be submitted to the Commission prior to its effective date and that written notice of any change to the plan be given to the Commission within 30 days after the effective date of the change; • provide that the employees have no vested right to payments under the plan, except to payments during a period of unemployment specified in the plan; and • provide that payments in respect of guaranteed annual remuneration or in respect of deferred remuneration or severance pay benefits are not reduced or 	
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<p>How many hours of an employee's work schedule can be reduced and how long can it last?</p> <ul style="list-style-type: none"> • A reduction between a minimum of 10% (one half day) and a maximum of 50% (three days). • In any given week, the work reduction can vary depending on available work, as long as the work reduction on average is between 10%-60% for the duration of the program. • The program must have a minimum duration of six (6) weeks and as a result of COVID-19, may last up to 76 weeks (normally maximum 38 weeks). <p>The Government of Canada introduced temporary special measures that extend the maximum duration of Work-Sharing agreements from 38 weeks to 76 weeks across Canada for those businesses affected by the downturn in business due to COVID-19</p> <p>Reduced Hours of Work</p> <ul style="list-style-type: none"> • May trigger possible claims of constructive dismissal • But still preferable than placing employee on EI • Try to get employee's consent in writing to this and get them to sign an agreement that such reductions in salary do not 	<p>increased by payments received under the plan</p> <p>The registration date of the SUBP is the date on which it is submitted to Service Canada's SUB Program, if all the required conditions are met and all supporting documents are received. The plan will be registered under the employer's business number for payroll deductions and a notification of the approval will be sent to the employer. Until a plan is registered, any amounts paid will be treated as earnings and may be deducted from the employee's EI benefits.</p>	
	<p>WSIB Financial Relief Package</p> <ul style="list-style-type: none"> • businesses can defer premium reporting and payments until August 31, 2020 • eligible businesses are those who report and pay monthly, quarterly or annually based on their insurable earnings • this also applies to Schedule 2 organizations (publicly funded and federally regulated industries) • for Schedule 1 businesses: <ul style="list-style-type: none"> ○ no interest will accrue on outstanding premiums ○ no penalties will be charged during 6 month deferral period • For Schedule 2 businesses: 	<p>Income Tax Act</p> <ul style="list-style-type: none"> • due date to file taxes extended until June 1, 2020 • all businesses can defer, until after August 31, 2020, payment of any income tax amounts that become owing on or after March 18 and before September 2020 • this includes tax balances due, and instalments, under Part 1 of <i>ITA</i> • no interest or penalties will accrue on amounts during this period

<p>constitute constructive dismissal of employment</p>	<ul style="list-style-type: none"> ○ account balances will not accrue debit interest • For all employers, costs associated with COVID-19 related claims will not be allocated at an employer or cost level; instead, they will be allocated on a Schedule-wide basis • There will be no change in premium rates for 2020 	
		<p>Loans</p> <ul style="list-style-type: none"> • Canada Emergency Business Account announced by federal government for qualifying small business loans. • Under this program, qualified small businesses will be eligible for loans of up to \$40,000 government-guaranteed loans interest-free until December 31, 2022; if paid by Dec 31/22, then 25% of total will be forgiven • As well, GST, HST and import duty payments will be deferred to the end of June. In total, this is equivalent to a \$30 billion interest free loan. • To qualify, businesses need a 2019 payroll between \$20k - \$1.5 M • Repayment of the loan must be made on or before December 31, 2022. There may be loan forgiveness of up to 25% or \$10,000

		Dealing with Work Refusals
		<p>Under the OHSA, employees may be refuse work if they are exposed to dangerous work conditions or where there is a risk to their health and safety.</p> <p>There will likely be an increase of work refusals in the context of COVID-19 where:</p> <ul style="list-style-type: none"> • there is a confirmed or presumptive case of COVID-19 in the workplace • confirmed case that an employee’s family member contracted COVID-19 • concerns from employees who are vulnerable such as employees over the age of 60 and those with compromised immune systems • employees who are fearful of traveling to work <p>Whether or not a work refusal is reasonable depends on the circumstances.</p> <p>Under the OHSA, when there is a work refusal, an employer must investigate the hazard and implement measures to eliminate or prevent the hazard.</p> <p>Where the work refusal remains unresolved, an investigator/regulator may come to the workplace to investigate and make an order.</p>

		<p>In assessing work refusals in the context of a pandemic, employers should carefully consider public health information and advice posted from the World Health Organization.</p> <p>Employees are protected if they engage in a work refusal for reasons where they legitimately believe there is a health and safety risk. Employees who engage in a work refusal in bad faith may be subject to discipline. Further, employers should not engage in any form of discipline unless they have investigated the hazard and taken steps where appropriate to eliminate or prevent the hazard. You should seek legal advice when deciding whether disciplinary action is warranted.</p>
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