

PCL CANADA SUBCONTRACTOR COVID-19 RESOURCE GUIDE

PCL has prepared this Covid-19 Resource Guide to provide general summary information for our subcontractors and suppliers to support their business needs as they manage issues related to Covid-19. Please note that it is your responsibility to review all official information and to make any related business decisions in your sole judgement. **Please consult your legal advisors, financial advisors and the final legislation and regulations for appropriate guidance.**

1.0 FEDERAL GOVERNMENT PROGRAMS TO HELP CORPORATIONS

1.1 Canada Emergency Wage Subsidy

The Canada Emergency Wage Subsidy (CEWS) is an enhanced subsidy made available to Canadian companies regardless of size. The CEWS provides a cash subsidy to employers of up to 75% of remuneration paid to employees up to a maximum of \$847/week (based on a maximum annualized wage of \$58,7000). The program is effective starting from April 15, 2020 and is intended to run for 12 weeks, ending June 6th. The government has stated that depending on the duration of the pandemic this program may be extended.

Qualifications

Employers will need to demonstrate at 30% reduction in revenues (excluding non-arm's length revenue) for each month of the program (15% for March only) compared to the same month in 2019, or alternatively demonstrating the reduction in revenues from January and February 2020. There is no maximum limit to the wage subsidy and also no limit to the number of employees. This supports the government's desire to incent employers to rehire employees laid off through the pandemic. Employers will need to cover the cost of wages in advance of receiving the subsidy payment. Note that all subsidies received will be treated as taxable income to the employer.

Application

On-line applications will be available using the CRA's My Business Account once the program has been finalized and legislation approved. Employers will be expected to maintain records to demonstrate the reduction in revenues, along with the compensation paid to employees through the duration of the program.

[Department of Finance CEWS Website](#)

1.2 Temporary Wage Subsidy

The Temporary Wage Subsidy (TWS) is a wage subsidy offered only to small and medium sized corporations, and ultimately was expanded to become the CEWS. The TWS provides a tax remittance subsidy to employers of up to 10% of remuneration paid to employees up to a maximum of \$1,375 per employee and \$25,000 for each employer. The program is effective April 18, 2020 and is intended to run for 3 months, ending June 20th. The 10% calculation is to be performed by each employer and is applied as an offset to the taxes the employer withheld on payroll and remits to the CRA (but excluding CPP and EI values) allowing employers to hold on to more cash.

Qualifications

Qualified employers include small and medium sized Canadian Controlled Private Corporations with taxable capital of less than \$15 million. Employers will not need to demonstrate a reduction in revenues like the CEWS, however all subsidies granted will be treated as taxable income to the employer.

Application

No application is necessary; however, the 10% benefit will be permitted to reduce your payroll remittance for the first pay period that includes April 18th and extending to the last pay period including June 19th. If your payroll remittance is not sufficient to offset the value of the subsidy, you can reduce future payroll remittances subsequent to June 19th. Employers will be expected to maintain records to support total remuneration paid to employees through the duration of the program, all taxes deducted from the remuneration, and the number of employees employed in the period.

[CRA TWS FAQ Website](#)

1.3 Tax Filing and Payments

Due to the disruption that the Covid-19 pandemic has caused, the CRA have initiated a deferral of most tax filing deadlines that were regularly scheduled to be due after March 18, 2020. Corporate, Personal and most Trust tax returns have been extended to June 1, 2020. Non-resident tax forms, Partnership returns, and other information returns have been extended to May 1, 2020.

Tax payment deadlines have also been extended to ease the cash flow concerns of many Canadians. Corporate, Personal and most Trust taxes owing are now due September 1, 2020. Note that this also includes installment payments that become due on or after March 18, 2020 and before September 1, 2020.

Qualifications

Any taxpayer who had tax balances due after March 18, 2020 can take advantage of the extended filing deadlines and tax payment deferral.

Application

No application necessary, however all taxpayers should ensure they meet the extended filing deadlines, and diligently track their deferred liabilities to ensure they have sufficient cash before the September 1, 2020 payment deadline.

[CRA Tax Filing and Payment Dates Website](#)

1.4 GST/HST Filing and Payments

Similar to the corporate tax payment deferral, the CRA has announced a deferral of net GST/HST payable balances from February, March, and April to the end of June 2020. It should be noted that the deadline for filing GST/HST returns has not changed, so all returns should continue to be filed on time.

While GST/HST net payables are being deferred, the CRA will continue to process all GST/HST refund balances. They have increased their internal review thresholds to avoid any unnecessary delays. Companies should maintain accurate records of the liabilities deferred to June 30th to ensure they have sufficient means to pay the balance in full and avoid any late interest and penalties from being assessed.

Qualifications

Any taxpayer who has a net GST/HST balance owing on their monthly, quarterly, or annual GST/HST return can take advantage of the payment deferral.

Application

No application or qualifications necessary, however all GST/HST returns need to be filed on a timely basis.

[CRA GST/HST Remittance Deferral Website](#)

1.5 Customs Duties and GST

Associated with the GST/HST deferral, the CRA announced a deferral of customs duty payments and associated GST.

Qualifications

Any corporation with customs duties and GST payable on imports in March, and April can defer payment to June 30, 2020.

Application

There is no application required. However, the deferral is in relation to a corporation's Statement of Account. If a corporation uses a broker to handle all duties and GST/HST, negotiated agreements must be made between an importer and their broker to facilitate the deferral.

[CBSA Customs Notice 20-11](#)

1.6 Business Credit Availability Program

The Development Bank of Canada (BDC) and Export Development Canada (EDC) have developed a \$40 billion Business Credit Availability Program (BCAP) for small and medium sized enterprises. In collaboration with Canadian financial institutions BDC and EDC will provide:

- Co-lending Program: BDC with financial institutions will provide term loans of up to \$6.25million to assist with the operational cash flow requirements of a business, and
- Loan Guarantee: EDC working with financial institutions to issue new operating credit and cash flow term loans of up to \$6.25 million

Qualifications

Restricted to small and medium sized enterprises (but no metrics provided)

Application

All organizations interested should discuss the program with representatives of their current financial institution.

[BCAP Program Details](#)

[BDC BCAP Webpage](#)

[EDC BCAP Webpage](#)

[CCA CEBA & BCAP Webpage](#)

1.7 Canada Emergency Business Account

In cooperation with Export Development Canada (EDC) and eligible financial institutions the Canada Emergency Business Account (CEBA) is a \$25 billion program to provide interest free loans of up to \$40,000 to small businesses to help cover their operating costs while their revenues may have decreased due to the Covid-19 pandemic.

If the organization repays the loan on or before December 31, 2022, 25% of the loan will be forgiven (up to \$10,000).

Qualifications

Small businesses with total annual payrolls of \$50,000 to \$1 million in 2019 will be eligible.

Application

All organizations interested should discuss the program with representatives of their current financial institution.

[CCA CEBA & BCAP Webpage](#)

[BMO CEBA Webpage](#)

[TD CEBA Webpage](#)

[RBC CEBA Webpage](#)

[Scotia CEBA Webpage](#)

[CIBC CEBA Webpage](#)

1.8 Canada Summer Jobs Program

The ongoing Canada Summer Jobs program has been updated due to the Covid-19 pandemic. To support businesses and students, the government has temporarily increased the wage subsidy to allow private and public sector employers to receive a 100% wage subsidy equivalent to the provincial or territorial minimum wage.

Qualifications

Private sector applicants must have 50 or fewer full-time employees (who work 30 hours or more per week). Eligible projects provide full-time employment for May to August for a minimum of six weeks, provide work experience in an inclusive non-discriminatory work environment, supporting skills acquisition and development in Canada.

Application

Applications for the 2020 season closed on February 28, 2020. However, the government has committed to identify organizations that provide essential services that did not apply for the program.

More information is expected to be released.

[Canada Summer Jobs Webpage](#)

2.0 FEDERAL PROGRAMS TO HELP YOUR EMPLOYEES

2.1 Canada Emergency Response Benefit

The Federal government has created the Canada Emergency Response Benefit (CERB) which offers a taxable benefit of \$500/week for a maximum of 16 weeks to workers who have lost their income due to the Covid-19 Pandemic.

Qualifications

The CERB is available to individuals 15 years of age or older, who have stopped working due to Covid-19 and have not voluntarily left their employment. To qualify these individuals must have earned at least \$5,000 of income in 2019 or in the past 12 months, are expected to be without employment for at least 14 consecutive days. It should be noted that if they earn any employment income during the 16-week period they may be disqualified. Following the 16-week program duration, all individuals would revert to the Employment Insurance program coverage if they are still out of work.

The program is expected to issue payments within 3 to 10 business days of application.

Application

On-line applications are open using the CRA's My Account or over the phone at 1-800-959-2019 or 1-800-959-2041. In order to deal with expected high volumes, applicants are asked to apply based on their month of birth, with January to March applying on Mondays, April to June on Tuesdays, July to September on Wednesdays, and October to December on Thursdays.

[Employment Insurance CERB Website](#)

[CRA CERB Website](#)

[CRA My Account online access portal](#)

2.2 Supplemental Unemployment Benefit Program

Supplemental Unemployment Benefit (SUB) program allows employees to receive additional benefits on top of EI benefits through a period of unemployment due to temporary stoppage of work, illness/injury of quarantine, or through maternity/parental leave. The supplemental benefits are funded either by the employer or through an insurance policy.

Qualifications

Each employer must have prepared a SUB plan document approved by Service Canada before implementation. A SUB plan document must include a complete description of the benefits including:

- **Identification of employees covered** (e.g. all employees, hourly paid employees, employees at a certain plant or location, union group(s), etc., or by employee position, however, individuals must not be identified by name)
- **Temporary stoppage of work.** The employer should be able to estimate the date of the employee's return to work.
- **Receipt of Employment Insurance (EI) benefits.** The plan must indicate that the employee must apply for and be in receipt of EI benefits.
- **SUB payments.** The SUB plan must indicate the value of the payments, either as a percentage of the employee's normal weekly earnings, or as a fixed amount (payments must be made periodically, i.e. weekly, bi-weekly). The weekly SUB payment plus the weekly EI benefit rate applicable to this employment must not exceed 95% of an employee's normal weekly earnings.
- **Benefit duration.** The plan must indicate the maximum number of weeks for which the SUB payments will be payable. Some plans pay benefits for varying periods based on years of service, salary or employee groups. The Regulations do not set a minimum or maximum number of weeks for the payments.

Application

SUB plans arranged for the temporary stoppage of work need to be registered with Service Canada. Depending on how the plan is structured it may need to be registered with both Service Canada and the CRA

[SUB Program Details](#)

[SUB Details on Registration](#)

[SUB Sample Plan](#)

2.3 Employment Insurance Work-sharing Program

Work-Sharing (WS) is a program that helps employers and employees avoid layoffs when there is a temporary decrease in business activity beyond the control of the employer. The program provides Employment Insurance (EI) benefits to eligible employees in a work share unit who agree to reduce their normal working hours and share the available work while their employer recovers. Work-Sharing is an agreement between employers, employees and the Government of Canada. Key program features are a group of employees with similar job duties agree to reduce their hours of work by at least 10% to 60% over a specific period; at least 6 consecutive weeks; and can last up to 76 consecutive weeks.

Qualifications

Eligible employers

- Eligibility criteria and required documentation under the Covid-19 pandemic have been reduced significantly. To be eligible your business must operate year-round, have been in business in Canada for at least 1 year have at least 2 employees in the WS unit

- Your business is not eligible for WS if it is experiencing a reduction in business activity due to a seasonal shortage of work, or recurring slowdown.

Eligible employees

- To be eligible for WS, your employees must be year-round employees needed to carry out the day-to-day functions of the business (your "core staff"), employees considered essential to the recovery and viability of the business, eligible to receive EI benefits, and agree to reduce their normal working hours by the same percentage and to share the available work
- Ineligible employees include those employees responsible for the direction of the company and who hold more than 40% of the voting shares in the business

Application

Applications submitted to Service Canada are requested to be submitted 30 calendar days prior to the requested start date. Under COVID-19, this has been shortened to 10 calendar days prior to their requested start date.

[Work Sharing website](#)

[Work sharing applicant guide.pdf](#)

[Work Share Temporary Measures under Covid-19](#)

2.4 Tax Filings and Payment

Due to the disruption that the Covid-19 pandemic has caused, the CRA have initiated a deferral of most tax filing deadlines that were regularly scheduled to be due after March 18, 2020. Personal tax returns filing deadlines have been extended to June 1, 2020. For self-employed individuals (and their spouse or common law partner) the due date remains June 15, 2020 (no extension granted).

Tax payment deadlines have also been extended to ease the cash flow concerns of many Canadians. Personal taxes owing are now due September 1, 2020 (penalties and interest will not be charged if your balance due is paid by September 1, 2020). Note that this also includes installment payments that become due on or after March 18, 2020 and before September 1, 2020.

Qualifications

Any taxpayer who had tax balances due after March 18, 2020 can take advantage of the extended filing deadlines and tax / installment payment deferrals.

Application

No application necessary, however all taxpayers should ensure they meet the extended filing deadlines, and diligently tract their deferred liabilities to ensure they have sufficient cash before the September 1, 2020 payment deadline.

[CRA Tax Filing and Payment Dates Website](#)

3.0 PROVINCIAL PROGRAMS TO HELP CORPORATIONS

3.1 British Columbia

Deferral of Employer Health Tax Payments – businesses with payroll >\$500k can defer EHT payments to September 30.

Extended filing and payment deadlines for PST until September 30.

Reduction to property taxes for businesses – 50% reduction in school taxes for light and major industry property classes.

[British Columbia](#)

3.2 Alberta

Deadline extension of corporate tax payments to August 31, 2020 and returns until June 1, 2020.

Education property tax deferral for businesses for six months.

WCB premium deferral to 2021 – the province will cover 50% of the premiums for small and medium businesses

[Alberta](#)

3.3 Saskatchewan

Saskatchewan Small Business Emergency Payment – one-time grant for small and medium businesses directly impacted by Covid-19. Based on 15% of monthly sales revenue to a maximum of \$5,000.

Businesses unable to remit PST due to cash flow concerns will have three-month relief from interest and penalties.

WCB premium penalties are being waived from April 1 to June 30.

[Saskatchewan](#)

3.4 Manitoba

Extended filing and payment deadlines for March and April RST returns to June 22, 2020 (for small and medium businesses with monthly RST remittances of no more than \$10,000), and no interest or penalties on February returns if filed or paid late.

Deferral of Health and Post Secondary Education Tax Levy to June 15, 2020

[Manitoba](#)

3.5 Ontario

Suspension of interest and penalties on provincial tax programs – tax filing and remitting deadlines remain the same.

Increased exemption for Employer Health Tax – temporary increase to exemption from \$490k to \$1 million for 2020.

Regional Opportunity Investment Tax Credit – 10% refundable credit for construction or renovation of commercial or industrial buildings in designated regions of the province, up to \$45,000.

Education property tax deferral for 90 days.

Deferral of Workplace Safety and Insurance Board payments until August 31, 2020.

[Ontario](#)

3.6 Quebec

Investissement Quebec concerted temporary action program - loan guarantee program for companies whose cash flow has been impacted by Covid-19, minimum funding amount is \$50k

Investissement Quebec emergency assistance for small and medium businesses – in addition to the Concerted temporary action program, loans or guarantees up to \$50k.

Loan flexibility measures provided by Investissement Quebec and local investment funds.

Several municipalities have announced deferral of property taxes, property transfer fees, grants, loans, etc.

CNESST statement of account payment extension to August 31, 2020.

Hydro Quebec has pledged not to cut power to anyone for non-payment and has discontinued charges for unpaid bills. Customers unable to pay electricity bills can enter into a payment arrangement with Hydro Quebec.

Societe de l'assurance automobile du Quebec – deferral of payment of amounts due to retain the right of movement for commercial vehicles to September 1, 2020.

Corporate income tax returns due after March 17, 2020 to May 31, 2020 are deferred to June 1, 2020. Payment of income tax balances and instalments due after March 17, 2020 to August 31, 2020 are deferred to September 1, 2020.

QST remittances are deferred to June 30, 2020, while the filing deadlines for QST returns remain unchanged, however late filed returns will not attract interest or penalties.

[Quebec](#)

3.7 Newfoundland

International Fuel Tax Agreement returns for the first quarter of 2020 (January 1 to March 31, 2020) due on April 30, 2020 from interjurisdictional carriers are now due and payable on June 1, 2020.

All other tax returns otherwise due March 20, 2020 to May 31, 2020 are now due June 23, 2020.

[Newfoundland Labrador](#)

4.0 PROVINCIAL PROGRAMS TO HELP EMPLOYEES

4.1 British Columbia

Emergency benefit for workers – one-time payment of \$1,000 for residents whose ability to work has been affected.

Expanded BC Climate Action Tax Credit – one-time enhancement of July payment to \$218 per family.

4.2 Alberta

Deferral of property tax – planned increase was frozen + 50% of education property tax deferred for 6 months.

Deferral of other payments – electricity & natural gas for 90 days

4.3 Saskatchewan

Self-Isolation Support Program – workers forced to self-isolate that are not eligible for sick leave, or not covered under EI, will receive \$450 per week for a maximum of two weeks.

4.4 Ontario

One-time payment for families with children - \$200 per child up to 12 years of age, \$250 for those with special needs.

Financial support for seniors – doubling the Guaranteed Annual Income System payment for low-income seniors for six months.

4.6 Quebec

Several municipalities have announced deferral of property taxes, property transfer fees, grants, loans, etc.

Hydro Quebec has pledged not to cut power to anyone for non-payment and has discontinued charges for unpaid bills. Customers unable to pay electricity bills can enter into a payment arrangement with Hydro Quebec.

Societe de l'assurance automobile du Quebec – deferral of payment of amounts due to retain the right of movement for commercial vehicles to September 1, 2020.

Temporary Aid for Workers Program – financial assistance available to workers in isolation due to Covid-19 who are not eligible for another financial assistance program. Offered by the government of Quebec in partnership with Red Cross.

Incentive Program to Retain Essential Workers - \$100 per week for low-income employees working in essential service sectors. Benefit is available retroactively to March 15 for a maximum of 16 weeks.

4.7 Nova Scotia

[Worker Emergency Bridge Fund](#) – one-time \$1,000 payment to bridge the gap between layoff and CERB benefits.