

Helpful guide from Grant Thornton amidst COVID-19 crisis

Temporary Wage Subsidy

The Temporary Wage Subsidy is a new program that was announced on March 18, 2020. It saves cash of employers by allowing them to reduce the amount of income tax remittances on workers' wages. It allows the employer to reduce the amount of income tax remittances by 10% for up to 3 months, up to a maximum of \$1,375 per employee. The maximum aggregate amount an employer can save is \$25,000.

Work Sharing Program

Work-sharing (WS) 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 an agreement between 3 parties: 1) Employer; 2) Employee; and 3) Service Canada.

The program provides income support through the Employment Insurance (EI) program for employees eligible for EI. There are significant requirements for employers to participate in this program, including details reports on sales and production levels for 24 months prior. This is not a new program, but some of the rules have changed because of COVID to make it more accessible.

EI Sickness Benefit

The EI Sickness benefit is an existing program that has been modified in light of the COVID-19 pandemic. It is administered by Service Canada. It is targeted to workers who are unable to work due to illness, injury, or quarantine (including self-isolation).

Emergency Care Benefit

This is a new program introduced as part of the Federal government's COVID-19 response. It is administered by the CRA. It is targeted to workers (including the self-employed) who do not receive sick leave or a similar work benefit and who are (i) sick or quarantined, (ii) taking care of a family member who is sick, or (iii) taking care of children due to school/daycare closures and unable to earn employment income.

Emergency Support Benefit

The Emergency Support Benefit is a new program that was announced on March 18, 2020. It will give up to \$5 billion to workers ineligible for EI who face unemployment. It is intended to be a long-term income support, but the government hasn't yet said how much it will provide, or how the funds will be given out.

Supplemental Unemployment Benefit Plan

The Supplementary Unemployment Benefits ("SUB") Plan is a plan, approved by Service Canada, that allows an employer to top up an employee's EI benefits during periods of unemployment due to various factors including a temporary stoppage of work or illness, injury or quarantine. This is not a new plan, but one that will be used heavily during the COVID downturn.