Support for Businesses

On March 18, 2020, the Prime Minister announced a new set of economic measures to help Canadians and Businesses. The government and its partners announced further support to bolster the financial markets, reduce administrative burden, encourage social distancing and securing accommodation, reduce required minimum withdrawals, and support businesses and protect Canadians.

Supporting Financial Market Liquidity

The Government of Canada is taking immediate, significant and decisive action to strengthen and maintain financial system liquidity. These actions will enable financial institutions to continue to support customers during a period of economic stress as a result of COVID-19. As a further proactive and coordinated measure to bolster the financial market, the Government of Canada is launching an Insured Mortgage Purchase Program (IMPP). Under this program, CMHC will purchase additional homeowner CMHC-insured mortgage loans which will allow secondary market investors to continue to invest in mortgage bonds by buying them from CMHC.

Supporting Canadian Business through the Canada Account

The Department of Finance Canada and the Canadian Export Credit Agency are working closely to provide temporary support for Canadian exporters. This support can help exporters maintain operations and continue to deliver goods and services to their clients.

Reducing required minimum withdrawals from Registered Retirement Income Funds (RRIFs)

In addition to the changes to Registered Retirement Savings Plans (RRSPs), the Government of Canada is reducing the required minimum withdrawal for 2020 by 25%. This reduction is intended to provide more flexibility for individuals by allowing them to choose not to withdraw funds from their RRIFs if they are affected by COVID-19 or for other reasons. The new rules for determining the 2020 minimum withdrawal amount are based on the account balance at the end of 2019, as follows:

- If the account balance is less than or equal to $100,000: no minimum withdrawal amount is required.
- If the account balance is greater than $100,000: the annual minimum withdrawal amount is calculated using a prescribed formula taking into account the account balance, the required minimum withdrawal rate, and the number of years until the RRIF holder turns 80.

Allowing businesses to access the Canada Account more quickly

The Canada Revenue Agency is making changes to reduce administrative burden and delay the filing of tax balances. For the vast majority of businesses, the Canada Revenue Agency will accept filings without the receipt of remittance. This will support businesses in their efforts to access government funds and will avoid potential delays in funding.

Filing Business Tax Returns

On March 18, 2020, Minister of Finance Bill Morneau, Governor of the Bank of Canada Stephen Poloz, and Superintendent of Financial Institutions (OSFI) announced it is removing the requirement to file tax returns by March 31, 2020. Instead, the deadline for filing the return will be deferred until June 1, 2020. However, the Agency encourages individuals to better understand their tax obligations and to obtain any necessary information or services as soon as possible to ensure their entitlements.

Temporary Income Support for Workers and Parents

The government has introduced a range of measures to support workers and their families during COVID-19. These measures include:

- Introducing the Emergency Care Benefit providing up to $900 to those who are sick or caring for someone under quarantine.
- Waiving the one-week waiting period for those individuals that expect to receive benefits under the GSTC or the Canada Child Benefit.
- Introducing the Emergency Support Benefit to provide up to $900 for those who are sick, quarantined or forced to stay home.
- Supporting parents through the Canada Account.

Government is proposing targeted help by:

- Enabling businesses to access the Canada Account more quickly
- Reducing required minimum withdrawals from RRIFs
- Removing the requirement to file tax returns by March 31, 2020
- Removing the requirement to file tax returns by June 1, 2020.

For more information, please visit the website of the Department of Finance Canada or the Canada Revenue Agency.

Appendix

The following table provides a summary of the measures announced by the Government of Canada in response to COVID-19. The measures are classified by their impact on individuals, businesses, and the financial market. The table includes the expected implementation dates, the responsible agencies, and the estimated costs where available.

| Measure | Description | Classification | Responsible Agency | Implementation Date | Cost
|---------|-------------|----------------|-------------------|--------------------|------|
| Introducing the Emergency Care Benefit | Providing up to $900 to those who are sick or caring for someone under quarantine. | Individuals | Department of Finance Canada | April 2020 | $3.8 billion
| Waiving the one-week waiting period for those individuals that expect to receive benefits under the GSTC or the Canada Child Benefit. | | | | |
| Introducing the Emergency Support Benefit | Providing up to $900 for those who are sick, quarantined or forced to stay home. | | | |
| Supporting parents through the Canada Account | | | | |
| Removing the requirement to file tax returns by March 31, 2020 | | | | |
| Removing the requirement to file tax returns by June 1, 2020 | | | | |

Note: Costs are estimates and subject to change.