

Tax and Subsidy News – Covid-19

2019 Tax Return

CRA has extended tax return deadlines.

- Personal tax return deadline is now **June 1, 2020**
- Self-employed deadline is now **June 15, 2020**
- Payment deadline is now **September 1, 2020**

Filing your tax return now means you receive any refund sooner. There is no benefit to waiting till the last minute to file your return.

Employment Insurance (EI)

Sickness Waiting Period

As of March 15th, there is **no waiting period** to apply for EI Sickness Benefits.

Apply online here

<https://www.canada.ca/en/services/benefits/ei/ei-sickness/apply.html>

Emergency Care Benefit

If you do not qualify for EI you can apply for the Emergency Care Benefit.

It pays up to \$900.00 every two weeks for up to 15 weeks.

Apply for this benefit if you:

- Are quarantined
- Are taking care of a family member infected with COVID-19
- Are a parent who is unable to work because you are caring for your child

The Emergency Care Benefit will start in early April.

Emergency Support Benefit

This benefit will start in early April. It will support employees who are facing unemployment and are not eligible for EI. No other details are available at this time.

Reducing Hours - EI Work Sharing Program

If you agree to reduce your hours due to the Covid-19 outbreak, you can apply for benefits through the EI Work Sharing Program.

The length of time that you can receive this benefit will be extended. The maximum time now will be up to 76 weeks.

Canada Child Benefit

The Canada Child Benefit will be increased. This increase will be a one-time extra payment of \$300 per child. This benefit will be paid in May 2020.

To receive this benefit, you MUST file your 2019 tax return.

Registered Retirement Income Fund

You can now take a smaller amount of money out of your RRIF. The minimum withdrawals from a RRIF have been reduced by 25%. This will help seniors who are negatively impacted by the current stock market conditions to defer the tax on funds that are not needed to meet their living conditions.

Wage Subsidy

To help support eligible small businesses and hopefully prevent lay-offs, the government is offering a temporary wage subsidy for the next three months.

The subsidy is effective now and applies to

- employers eligible for the small businesses deduction
- non-profit organizations
- charities

The subsidy will be equal to 10% of wages paid during the period, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer.

Employers can benefit immediately from this support by reducing tax deductions from employee's pay cheques.