

Guiding you through the impacts of COVID-19

March 26, 2020

COVID-19 Resource Hub

A graphic for the COVID-19 Resource Hub. It features the Grant Thornton logo in the top left corner. The main title is "Finding the way forward: Guiding businesses through coronavirus (COVID-19)". Below the title is a button that says "Discuss the impacts of coronavirus with one of our experts". The bottom section is a purple bar with two columns of text. The left column says "Businesses need to remain agile and alert as coronavirus (COVID-19) evolves". The right column is titled "Where to go for information" and lists five sources: World Health Organization, Canadian Government - Public Health, Business Development bank of Canada, Export Development Canada, and Employment and Social Development Canada (Work-sharing and Employment Insurance).

Grant Thornton

Finding the way forward: Guiding businesses through coronavirus (COVID-19)

Discuss the impacts of coronavirus with one of our experts

Businesses need to remain agile and alert as coronavirus (COVID-19) evolves

Where to go for information

- World Health Organization
- Canadian Government - Public Health
- Business Development bank of Canada
- Export Development Canada
- Employment and Social Development Canada [Work-sharing]
- Employment and Social Development Canada [Employment Insurance]

Where do I start? What to consider when facing a temporary business closure?

- Employment and labour
- Bank and finance
- Rent and landlord
- Supply and inventory
- Critical service providers – primary supplier, legal and accounting professionals

The key is good communication with all stakeholders of the business – start early and keep talking with everyone!

Managing your business through COVID-19

There are a lot of items to manage during the current crisis:

- Your people; lay-offs, workshare, wage subsidies
- Your business; status of orders for customers; managing inventory and suppliers
- Your cashflow; are you going to get paid by your customers, do you have flexibility with your lenders, cashflow projections
- Yourself; managing the stress of the current situation

Focus on what you can control

- Accept that Social Distancing is going to be with us for a while
- Look for new ways to reach your customers – use technology to your advantage
- Have proactive discussions with financial partners
- Review supports for your employees – EAP, EI, other forms of communication with them

Don't underestimate the risks of working remotely

- Employees using remote devices
- Employees using personal devices to access company information
- High likelihood of hackers exploiting the current situation for ransomware attacks or other cyber security breaches
- Cyber crime is affecting all businesses and often smaller organizations are at most risk.
- Should have cyber policies in place to manage this issue

Canada's COVID-19 Economic Response Plan - Canada.ca

- <https://www.canada.ca/en/department-finance/economic-response-plan.html>
- <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>

All of these links, and more, are on Grant Thornton's COVID-19 information hub located at:

- <https://www.grantthornton.ca/insights/coronavirus-covid-19/finding-the-way-forward-guiding-businesses-through-coronavirus-COVID-19/>

Canada's COVID-19 Economic Response Plan - Canada.ca

Support for individuals:

- Increased Canada Child Tax benefit – extra \$300 per child
- GST tax credit for low income families – approx. \$400
- Personal tax filing extended to June 1
- Tax balance and instalments due – no interest until Aug. 31
- Mortgage support – contact your financial institution

Canada's COVID-19 Economic Response Plan - Canada.ca

Support for people who are unable to work:

- **The new Canada Emergency Response Benefit**
- We will provide a taxable benefit of \$2,000 a month for up to 4 months to:
 - workers who must stop working 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 that are sick or need additional care because of school and daycare closures.
 - workers who still have their employment but are not being paid because there is currently not sufficient work and their employer has asked them not to come to work.
 - wage earners and self-employed individuals, including contract workers, who would not otherwise be eligible for Employment Insurance.
- **The Canada Emergency Response Benefit will be accessible through a secure web portal starting in early April. Applicants will also be able to apply via an automated telephone line or via a toll-free number.**

Canada's COVID-19 Economic Response Plan - Canada.ca

Other supports for individuals:

- Seniors – reduced withdrawals for RRIF's by 25% for 2020
- Students – 6 month moratorium on repayment of Canada Student Loans, interest does not accrue

Canada's COVID-19 Economic Response Plan - Canada.ca

Support for businesses:

- Extending work share program – to 76 weeks from 38
- Wage subsidy
 - Equal to 10% of remuneration paid, up to \$1,375/employee, \$25,000 maximum per employer
 - Each company gets its own \$25,000 limit
 - Reduce payroll remittances to realize subsidy right away
 - <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>

Canada's COVID-19 Economic Response Plan - Canada.ca

Other business supports:

Business Credit Availability Program

- BDC and EDC are government owned and available to support businesses

Tax payment deferrals

- All outstanding tax amounts and instalments that arise after March 18 are interest free until Sept. 1

Collection and audit activity has ceased until April 6

BC's COVID-19 Economic Response Plan

B.C. is extending filing and payment deadlines for the following taxes until September 30, 2020:

- Employer health tax
- Provincial sales tax (including municipal and regional district tax)
- Carbon tax
- Motor fuel tax
- Tobacco tax
- Effective immediately, businesses with a payroll over \$500,000 can defer their employer health tax payments until the **end** of September. (Businesses with smaller payrolls are already exempt from paying the tax.)
- <https://www2.gov.bc.ca/gov/content/taxes/tax-changes/covid-19-tax-changes>



**We are here to help.
Contact us today.**

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