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Co-ops, Mutuels and Canada's COVID-19 Economic Response Plan

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DISCLAIMER

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All information is provided on an as-is basis, based on the latest updates from credible publications and publicly-available sources.

Announcements occur almost daily and we encourage you to refer to the enclosed links regularly, to access the most up to date information.



Roles:

- 1) Federal government interface (Eligibility, issues etc)
- 2) Sector communication
- 3) Member and sector support



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Overview of Canada's COVID-19 Economic Response Plan

- **\$105B in direct support measures**
 - **\$85B Liquidity Support (Income Tax, Sales tax and duty payment deferrals)**
 - **\$3B Health and Safety**
 - **\$ 570B+ Business Credit Availability Program (BCAP) (through BDC and EDC)**
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- **Bill C-13 (March 25, 2020)**
 - **Restrictions (Gatherings, travel etc.)**
 - **Exemptions (i.e. Trucking, Temporary Foreign Workers – Agriculture etc.)**
 - **Essential Services (Provincial Level)**
 - **Emergencies Act (Federal level) – **NOT DECLARED****
 - **Federal/Provincial/Territorial Public Health Response Plan for Biological Events**



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Critical infrastructure sectors (Canada):

1. Energy and Utilities;
2. Information and Communication Technologies;
3. Finance;
4. Health;
5. Food;
6. Water;
7. Transportation;
8. Safety;
9. Government;
10. Manufacturing.



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Canada's COVID-19 Economic Response Plan

Eligible employers:

- Individuals, taxable corporations, and partnerships consisting of eligible employers as well as non-profit organizations and registered charities.
- Have an existing business number and payroll program account with the CRA
- Pay salary, wages, bonuses, or other remuneration

* CMC advocated for and received confirmation that co-ops are indeed eligible. This includes situations when the criteria references Canadian Controlled Private Corporations (CCPC). Co-ops are not CCPC, except when calculating the Small Business Deduction.





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Support for Businesses: Avoiding layoffs and rehiring employees

- [Extending the Work-Sharing program](#) (change from 38 weeks to 76 weeks, no “cooling off” period)
- [Canada Emergency Wage Subsidy](#)
 - 75% wage subsidy for 12 weeks, retroactive to March 15, 2020.
 - 30% drop in revenue for eligible periods (*Not yet defined for on-profits and charities)
 - \$847 per week Maximum
 - Eligible remuneration paid between March 15 and June 6, 2020
 - How to apply: Canada Revenue Agency’s *My Business Account* portal as well as a web-based application
- [10% Temporary Wage Subsidy for Employers](#)



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Support for Businesses: Access to credit

- [Business Credit Availability Program \(\\$65B EDC/BDC\)](#)
 - Loan Guarantee for Small and Medium-Sized Enterprises
 - Co-Lending Program for Small and Medium-Sized Enterprises
 - Roll out in mid-April
 - Work with **current financial institution**
- [Canada Emergency Business Account](#)
 - Interest-free loans of up to \$40,000 to SME and Non-profits;
 - Paid between \$50,000 to \$1 million in total payroll in 2019 ;
 - Roll out in mid-April
 - Work with **current financial institution**



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Support for Businesses: Reduced and Deferred Payments

- [Deferral of Income Tax with no interest or penalties to August 31, 2020 \(Owing March 18 –Sept. 2020\)](#)
- [Deferral of Sales Tax Remittance and Customs Duty Payments until June](#)

Support for Businesses: Financial Stability

- [Insured Mortgage Purchase Program](#) (via CMHC)
- [Bank of Canada](#) (Lowered interest rate, market interventions, liquidity etc.)
- [Superintendent of Financial Institutions](#) (lowered Domestic Stability Buffer etc.)



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Information for Industries:

- [Canadian manufacturers needed to help combat COVID-19](#)
- [Information for industry and partners \(Fisheries and Oceans Canada\)](#)
- [Information for industry \(Agriculture and Agri-Food Canada\)](#)
- [Information for industry \(Canadian Food Inspection Agency\)](#)
- [Measures, updates, and guidance \(Transport Canada\)](#)



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Support for individuals (*Employees and members of co-operatives and mutuals)

Individuals and families

- Increased Canada Child Benefit
- Special Goods and Services Tax credit payment
- Extra time to file income tax returns
- Mortgage support

Employment-related support

- **People facing unemployment**
- **People who are sick, quarantined, or in directed self-isolation**
- **People who are unable to work**
 - Canada Emergency Response Benefit (CERB)
 - \$2,000 a month / up to 4 months
 - Employment Insurance / EI sickness benefit

Indigenous

- Preparedness in First Nations and Inuit communities
- Indigenous Community Support Fund

Support for people who need it most

- Enhancing the Reaching Home initiative (Homelessness)
- Women's shelters and sexual assault centres
- Improving access to essential food support
- Youth support: mental health

Seniors

- Canada Emergency Response Benefit (CERB)
- Reduced minimum withdrawals for Registered Retirement Income Funds
- Supporting the delivery of items and personal outreach
- New Horizons for Seniors Program

Support for students and recent graduates

- A moratorium on the repayment of Canada Student Loans





Recommended next steps:

1. Review details and eligibility criteria for Federal support programs;
2. Consult resources (CMC, Provincial Associations, Federation, Law & HR firms etc.)
 - CMC's COVID-19 web page is updated regularly and lists links to its members' COVID_19 pages
 - <https://mailchi.mp/canada.coop/covid19#EN>
 - Be sure to check back often and follow us on our social media feeds: **FACEBOOK** | **LINKEDIN** | **TWITTER EN** | **TWITTER FR**!
3. Speak to your credit union, caisse populaire or bank;
4. Consider the possibility of re-purposing (masks, sanitizer etc.) - LINK
5. Share your stories and resources with CMC;
6. Reach out if you have questions or issues accessing programs.

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