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COVID-19's impact**

Economic Response Plan to Support Canadians and Businesses Facing Hardship Due to the COVID-19

Government of Canada



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The following information was gathered and summarized from the following platform developed by the Government of Canada:

<https://www.canada.ca/en/department-finance/economic-response-plan.html>

At the link, Canada informs on the Economic Response Plan that includes significant and decisive actions towards supporting Canadians and businesses facing hardship as a result of the global COVID-19 outbreak. The three-prong plan includes support for individuals, business and economic sectors, as summarized below.

Support for Individuals and Families

- **Individuals and Families:** The Government of Canada is working with provinces and territories to provide temporarily salary top-up to the salaries of low-income essential workers, increase Canada Child Benefit program to support families with children under 18 years old, one-time special payment for or low- and modest-income families, defer deadline to file income tax returns, and work with banks to establish on a case-by-case basis flexibility for a mortgage deferral.
- **People facing loss of income:** The Government of Canada will provide a taxable benefit of \$2,000 Canadian dollars every 4 weeks for up to 16 weeks to eligible workers who have lost their income due to COVID-19, through the Canada Emergency Response Benefit (CERB) Program.
- **Indigenous Peoples:** In addition to other support benefits established under the Economic Response Plan, the Government of Canada has created specific measures to support Indigenous peoples, such as providing an Indigenous Community Support Fund to address immediate



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needs of the communities, funding a range of federal health measures for preparedness, allocating resources to increase subsidies so indigenous families can afford much-needed personal hygiene products and nutritious food, and offering additional distinctions-based support to indigenous peoples post-secondary students.

- **Vulnerable communities:** The Government of Canada is also improving access to essential food to meet the urgent needs and funding the Reaching Home initiative to continue to support people experiencing homelessness.
- **Seniors:** Concerned about seniors' challenges, the Government of Canada will reduce the required minimum withdrawals from Registered Retirement Income Funds (RRIFs); allocate funding to support services for Canadian seniors, such as delivery of groceries delivery or medications and outreach to assess individuals' needs to connect them with community supports; provide immediate and essential services to seniors impacted by COVID-19 through organizations who received funding under the 2019-2020 New Horizons for Seniors Program.
- **Youth, students, and recent graduates:** The Government of Canada aims to provide economic support to students and new graduates who are not be eligible for the Canada Emergency Response Benefit or Employment Insurance or unable to work due to COVID-19; creating new jobs and opportunities by expanding existing federal employment, skills development, and youth programming; launching the Canada Student Service Grant (CSSG), which will help students gain valuable work experience and skills while they help their communities during the COVID-19 pandemic; proposing changes to the Canada Student Loans Program (CSLP) to allow more students to qualify for support and be eligible for greater amounts to continue their studies in the fall; allocating funds and providing funding extensions to support student researchers and post-doctoral fellows through the federal granting councils; removing the restriction that allows international students to work only a maximum of 20 hours per week while classes are in session, provided they are working in an essential service or function; suspending repayment and interest on all student and apprentice loans; and funding Kids Help Phone to provide young people with the mental health support they need during this difficult time.

Support for Business

- **Avoiding layoffs and rehiring employees:** The Government of Canada has put in place a temporary Canada Emergency Wage Subsidy (CEWS) supports employers that are hardest hit by the pandemic and protect the jobs Canadians depend on; Temporary Wage Subsidy that will allow eligible employers to reduce the amount of payroll deduction; and extending the maximum duration of the Work-Sharing program to provide income support to employees eligible for Employment Insurance who agree to reduce their normal working hours.



- **Access to credit:** The Government of Canada is working several programs, such as the Business Credit Availability Program (BCAP) to coordinate on credit solutions for SMEs; the Canada Emergency Business Account (CEBA) to provide interest-free loans to cover operating costs of small businesses and not-for-profits; the Canada Emergency Commercial Rent Assistance (CECRA) to lower rent by 75% for small businesses; funding programs through the Community Futures Network for rural businesses and communities; seed funds for innovative early-stage companies through the Industrial Research Assistance Program (IRAP); funding Futurpreneur Canada to continue supporting young entrepreneurs to provide payment relief for its clients; additional on-repayable support for businesses with operating costs not already covered by other Government of Canada measures; funding available through Canada's Regional Development Agencies to give financing support to small and medium-sized businesses.
- **Creating new jobs and opportunities for youth:** The Government of Canada has worked on several strategies, including funding the Youth Employment and Skills Strategy to help youth develop the skills and gain the experience they need to successfully transition into the labor market, the Student Work Placement Program to support post-secondary students across Canada to obtain paid work experience related to their field of study, supporting Mitacs and the Business/Higher Education Roundtable (BHER) in order to create 5,000 new job placements, and temporary changes to the Canada Summer Jobs program to increase jobs.
- **Deferred Payments:** The Government of Canada has postponed income tax payment deadlines and custom duties for companies and self-employed individuals.
- **Indigenous businesses:** The Government of Canada has allocated funding for short-term, interest-free loans and non-repayable contributions to help small and medium-sized Indigenous businesses, and to support Aboriginal Financial Institutions that offer financing to these businesses.
- **Supporting financial stability:** The Government of Canada is providing immediate, temporary relief to sponsors of federally regulated, defined benefit pension plans, launched an Insured Mortgage Purchase Program to purchase insured mortgage pools, the Bank of Canada is lowering interest rates and providing liquidity support for financial institutions, and the Office of the Superintendent of Financial Institutions has lowered the Domestic Stability Buffer by 1.25% of risk-weighted assets.

Support for Sectors

- **Agriculture, food, aquaculture, and fisheries:** The Government of Canada is providing funding to help employers follow the mandatory isolation period of all workers arriving from abroad and increasing credit availability through Farm Credit Canada.



- Cultural, heritage, and sports: The Government of Canada has established an COVID-19 Emergency Support Fund to help address the financial needs of organizations that support artists and athletes; and has waived license fees by broadcasters for the 2020–21 fiscal year.
- Air transportation: The Government of Canada made available funding to support supply of essential goods and services to remote and fly-in communities and waived ground lease rents from March 2020 through to December 2020 for the 21 airport authorities and PortsToronto that pay rent to the federal government.
- Tourism: The Government of Canada is working with national parks, historic sites, and marine conservation areas to defer payments on commercial leases and licenses of occupation without interest.
- Energy: The Government of Canada is providing funding to clean up orphan and inactive oil and gas wells to help maintain jobs and creating a new Emissions Reduction Fund to support workers and reduce emissions in Canada's oil and gas sector, with a focus on methane.
- Non-profit and charitable: The Government of Canada is funding charities and non-profit organizations that deliver essential services to those in need.

Additional information

For detailed information, please visit the various sections at the following link (same as the one provided in the introduction):

<https://www.canada.ca/en/departement-finance/economic-response-plan.html>



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