



Guide for Municipal Leaders on Canada's and Alberta's Economic Response to COVID-19

March 25, 2020



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Executive Summary

In March 2020, the Government of Canada and Government of Alberta began announcing comprehensive plans involving various financial supports to help stabilize the economy due to the impact of the COVID-19 coronavirus. AUMA has developed this guide for municipalities to determine which programs may be applicable to their municipal operations or to communicate with their residents and employers about available programs intended to help alleviate financial pressures on households and businesses.

This Executive Summary simply identifies the various support programs for employers and individuals, with the next section describing each support program in detail, with links to the application information and forms.

Support for employers

	Government of Canada	Government of Alberta
Supporting financial stability	<ul style="list-style-type: none"> • Deferral of 2020 income taxes • New Insured Mortgage Purchase Program • Various actions to improve market liquidity 	<ul style="list-style-type: none"> • Deferral of 2020 income taxes • Deferral of WCB premiums • Freeze and deferral of education property tax • Deferral of utility payments
Avoiding layoffs	<ul style="list-style-type: none"> • Extending the Work-Sharing program • Providing small businesses with wage subsidies 	
Access to credit	<ul style="list-style-type: none"> • New Business Credit Availability Program • Increasing credit to farmers 	<ul style="list-style-type: none"> • Loan relief for ATB and credit union customers

Support for individuals

General support for individuals and families	<ul style="list-style-type: none"> • One-time increase in the Canada Child Benefit • Special GST credit payment • Mortgage and loan support • Extra time to file income tax 	<ul style="list-style-type: none"> • Freeze of provincial education property tax • Loan relief for ATB and credit union customers • Deferral of utility payments
Support for people facing unemployment or in self-isolation	<ul style="list-style-type: none"> • New Canada Emergency Response Benefit • Employment Insurance regular and sickness benefits 	<ul style="list-style-type: none"> • New Emergency Isolation Support • Expansion of job-protected leave provisions
Support for seniors	<ul style="list-style-type: none"> • Reduced minimum withdrawals for Registered Retirement Income Funds 	
Support for students and graduates	<ul style="list-style-type: none"> • Moratorium on repayment of Canada Student Loans 	<ul style="list-style-type: none"> • Moratorium on repayment of Alberta Student Loans
Support for targeted populations	<ul style="list-style-type: none"> • New investments for Indigenous communities, housing, women's shelters, and sexual assault centres 	

Introduction

The purpose of this document is to help AUMA members understand the variety of programs available and actions taken by the Government of Canada and Government of Alberta to stabilize the economy as a result of the COVID-19 outbreak.

How to use this guide

Municipal leaders may use this document as a reference when communicating with residents, not-for-profit organizations, and local businesses about the supports that are available to help alleviate financial pressures on households and employers. In addition, as an employer, municipalities should be aware of programs that are available to mitigate financial impacts on municipal staff as well as the municipal organization.

The guide is segregated into two sections:

- **Government of Canada's Economic Response Plan**
- **Government of Alberta's Economic Response Plan**

Future updates

AUMA will update this document weekly as new details emerge. Readers can be notified of updates by subscribing to **AUMA's** free weekly [Digest e-newsletter](#) or visit **AUMA's** [online hub for COVID-19](#).

Since the federal and provincial governments may release information more frequently, readers can access the most up-to-date information directly from the [Government of Canada](#) and [Government of Alberta](#) websites.

Government of Canada's Economic Response Plan

Federal Program	Description	Applies to employers			Applies to	
		Municipal Government	Private Sector	Not-for-Profit	Employee/individual	Self-employed
Wage subsidy for small employers	<p>Small employers will be able to access a temporary wage subsidy for up to three months. The subsidy will be equal to 10 per cent of remuneration paid during that period, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer. Employers benefiting from this measure will include corporations eligible for the small business deduction, as well as non-profit organizations and charities. Details still to be released.</p> <p>The subsidy is applied by allowing the employer to reduce their payroll remittance of federal and provincial income tax. This does not apply to CPP or EI remittances.</p> <p>Eligibility requirements No application required</p>	n/a	✓	✓	n/a	n/a
Work Sharing Program	<p>This program helps employers and employees avoid layoffs when there is a temporary reduction in the normal level of business activity that is beyond the control of the employer. It provides employment insurance (EI) benefits to workers who agree to reduce their normal working hours in agreement with the employer.</p> <p><i>Changes for COVID-19:</i></p> <ul style="list-style-type: none"> • The maximum duration of Work-Sharing agreements is extended from 38 weeks to 76 weeks for businesses affected by the economic downturn of COVID-19. • Easing of eligibility requirements. <p>Eligibility requirements Application</p>	n/a	✓	✓	✓	n/a

Federal Program	Description	Applies to employers			Applies to	
		Municipal Government	Private Sector	Not-for-Profit	Employee/individual	Self-employed
Flexibility on loans and access to credit	<p>Canada’s six largest banks have committed to work with customers to provide flexible solutions, on a case-by-case basis, for managing through current economic hardships. This support will include up to a six-month payment deferral for mortgages, and the opportunity for relief on other credit products. While payments may be deferred, interest on any outstanding balance may still be charged.</p> <p>Contact your bank directly for eligibility and application details.</p>	✓	✓	✓	✓	✓
	<p>A new Business Credit Availability Program (BCAP) will allow the Business Development Bank of Canada (BDC) and Export Development Canada (EDC) to provide more than \$10 billion of additional financing support, largely targeted to small and medium-sized businesses.</p> <p>Eligibility requirements To apply, contact any of the financial institutions listed on the BCAP website.</p>	n/a	✓	n/a	n/a	n/a
	<p>Farm Credit Canada is offering loan payment deferral plans as well as increasing near term credit to farmers and agri-food sector.</p> <p>Eligibility requirements and application</p>	n/a	✓	n/a	n/a	n/a
	<p>The federal government will automatically place a six (6) month interest-free moratorium on the repayment of the federal portion of all Canada Student Loans. Borrowers have the option to continue making their payments.</p> <p>The Government of Alberta is matching this offer for all Alberta Student Loans.</p> <p>No application required – Loan holders can access details in the online portal.</p>	n/a	n/a	n/a	✓	✓

Federal Program	Description	Applies to employers			Applies to	
		Municipal Government	Private Sector	Not-for-Profit	Employee/individual	Self-employed
Supplementary unemployment benefit plan	<p>Canada's supplementary unemployment benefit plan (SUBP) is an existing program available to employers to top up employees' employment insurance (EI) benefits during a period of unemployment due to a temporary or indefinite layoff. No changes are being proposed for SUBP, but AUMA is sharing the program for awareness as a potential tool for employers.</p> <p>Eligibility and application details are available at Service Canada.</p>	✓	✓	✓	n/a	n/a
Employment Insurance (EI) sickness benefits	<p>Provides up to 15 weeks of partial income replacement for individuals who cannot work for medical reasons. Individuals can apply for this benefit or the below described Canada Emergency Response Benefit, but not both.</p> <p><i>Changes for COVID-19:</i></p> <ul style="list-style-type: none"> The one-week waiting period for benefits is waived for new claimants who are quarantined. Applicants do not require a medical certificate if they are quarantined. <p>Eligibility requirements Application</p>	n/a	n/a	n/a	✓	Restrictions
Employment Insurance (EI) regular benefits	<p>No changes are announced to the EI regular benefits program but workers who lose their jobs through no fault of their own should consider applying for this EI benefits program or the below described Canada Emergency Response Benefit, but individuals cannot receive both benefits.</p> <p>Eligibility requirements Application</p>	n/a	n/a	n/a	✓	Restrictions
Canada Emergency Response Benefit (CERB)	<p>A new program that provides a taxable benefit of \$2,000 per month for up to 4 months to support.</p> <p>This benefit will apply to any Canadian out of work due to reasons related to COVID-19, including for sickness, quarantine, caregiving, staying home to take care of children or loss of jobs.</p>	n/a	n/a	n/a	✓	✓

Federal Program	Description	Applies to employers			Applies to	
		Municipal Government	Private Sector	Not-for-Profit	Employee/individual	Self-employed
	<p>In addition to those that are unemployed, furloughed workers, those who are still technically employed but not receiving income, would also qualify for the benefit. The benefit will cover:</p> <ul style="list-style-type: none"> • Wage-earners • Contract workers • Self-employed • Gig industry individuals <p>All Canadians who have ceased working and earning income, whether they are eligible for employment insurance or not, would be able to receive the benefit. Canadians who have yet to apply for federal income support will be able to decide whether to apply for CERB or EI based on which may offer more financial support. One analyst has determined that anyone making less than \$23 per hour and working full time should apply to the CERB as it will pay more than EI.</p> <p>Canadians currently receiving EI regular and sickness benefits would continue to receive their EI benefits and should not apply for CERB. Also, individuals who have already applied for EI and whose application has not yet been processed would not need to apply for CERB.</p> <p>Eligibility requirements and application will be available in early April 2020 via an online portal and phone.</p>					
Special top-up payment of the GST credit	<p>The Goods and Services Tax (GST) credit is a tax-free quarterly payment that helps low and modest income individuals and families to offset GST/HST that they pay.</p> <p><i>Changes for COVID-19:</i></p> <ul style="list-style-type: none"> • Over 12 million individuals and families will receive a one-time top-up of the credit. 	n/a	n/a	n/a	✓	✓

Federal Program	Description	Applies to employers			Applies to	
		Municipal Government	Private Sector	Not-for-Profit	Employee/individual	Self-employed
	<ul style="list-style-type: none"> The average increase will be a \$400 payment for individuals and \$600 for couples with payment proposed for May 2020. <p>Eligibility is limited to persons that received the GST credit in the 2019-20 year. No application is needed.</p>					
One-time increase to the Canada Child Benefit	<p>The Canada Child Benefit (CCB) is a tax-free monthly payment to eligible families to help with the cost of raising children under 18 years of age.</p> <p><i>Changes for COVID-19:</i></p> <ul style="list-style-type: none"> Families that received the Canada Child Benefit (CCB) in 2019-20 will receive an extra \$300 per child as part of their May 2020 CCB payment. <p>No application required unless you are eligible for CCB and have not previously applied.</p>	n/a	n/a	n/a	✓	✓
Reduced RRIF withdrawal	<p>Seniors with investments in Registered Retirement Income Funds (RRIFs) will have the option to withdraw less from their RRIF in 2020 to avoid liquidating their retirement investments during the current market downturn. The mandatory minimum withdrawals from RRIFs will be reduced by 25 per cent.</p> <p>Eligibility and application details (if applicable) are yet to be released.</p>	n/a	n/a	n/a	✓	n/a
Extension for filing and payment of income tax	<p>The deadline for individuals to file their 2019 income tax return has been extended from April 30, 2020 to June 1, 2020.</p> <p>The deadline to pay any balance due for the 2019 income tax return for individuals and self-employed individuals has been extended from April 30, 2020 to September 1, 2020.</p> <p>No penalties or interest will be assessed if balances are paid by September 1, 2020.</p> <p>No application required.</p>	n/a	n/a	n/a	✓	✓

Federal Program	Description	Applies to employers			Applies to	
		Municipal Government	Private Sector	Not-for-Profit	Employee/individual	Self-employed
	<p>For trusts having a taxation year ending on December 31, 2019, the return filing due date will be deferred until May 1, 2020.</p> <p>All trusts that have an upcoming income tax balance or instalment due before September 1, 2020, will have their due date extended to September 1, 2020.</p> <p>No application required.</p>	n/a	n/a	n/a	Trustees	n/a
	<p>For businesses, the deadline to pay any income tax amounts or instalments that become owing or due after March 18, 2020 and before September 1, 2020 has been extended to September 1, 2020.</p> <p>No penalties or interest will be assessed if balances are paid by September 1, 2020.</p> <p>No application required.</p>	n/a	✓	n/a	n/a	n/a
Flexible access to tax advice	Individuals will now be able to access CRA's Outreach Program via phone or webinar instead of just in-person. The free service helps individuals to understand their tax obligations.	n/a	n/a	n/a	✓	n/a
	Businesses will now be able to access CRA's Liaison Officer service over the phone. Traditionally offered as an in-person service, the program provides free advice to owners of small businesses to understand their tax obligations.	n/a	✓	n/a	n/a	✓

Other notable announcements by the Government of Canada

Support for individuals and organizations

- A new Indigenous Community Support Fund will provide \$305 million to address immediate needs in First Nations, Inuit, and Métis Nation communities. Details are not yet available.
- **Canada's [Reaching Home](#)** initiative will receive \$157.5 million to invest in beds and physical barriers to support social distancing and securement of accommodation to reduce overcrowding in homeless shelters.
- **Women's shelters** and sexual assault centres will receive \$50 million to help with their capacity to manage or prevent an outbreak in their facilities.
- Electronic signatures will be temporarily recognized for tax forms T183 or T183CORP, which are forms that are signed in person by millions of Canadians every year to authorize tax preparers to file taxes.

Support for businesses

- The CRA will not contact any small or medium (SME) businesses to initiate any post assessment GST/HST or Income Tax audits for four weeks, beginning March 18, 2020.
- The federal government is changing the [Canada Account](#) to allow the government to provide additional support to Canadian export companies through loans, guarantees or insurance policies during these challenging times.
- The Bank of Canada will [broaden the scope](#) of the current Government of Canada bond buyback program. This is intended to add market liquidity and support price discovery.
- The [Office of the Superintendent of Financial Institutions](#) (OSFI) announced that it has lowered the Domestic Stability Buffer by 1.25 per cent of risk-weighted assets, which will allow Canada's large banks to inject \$300 billion of additional lending in to the economy.
- The Government of Canada has launched an [Insured Mortgage Purchase Program](#) (IMPP), which will purchase up to \$50 billion of insured mortgage pools through the Canada Mortgage and Housing Corporation (CMHC). This action will provide long-term stable funding to banks and mortgage lenders and add liquidity to **Canada's mortgage market**.

Government of Alberta's Economic Response Plan

Provincial Program	Description	Applies to employers			Applies to	
		Municipal Government	Private Sector	Not-for-Profit	Employee/individual	Self-employed
Freeze of provincial education property tax	<p>The province has reversed its Budget 2020 decision to increase provincial education property taxes. Instead, provincial education property taxes will be frozen at the 2019-20 level of about \$2.5 billion. This will reduce the 2020-21 provincial education taxes by \$55 million for residential and farmland properties and \$32 million for non-residential properties compared to what was planned.</p> <p>Municipalities can access their updated 2020 requisition for provincial education property taxes on Milenet or the comparison listing is available on the Government of Alberta's website.</p>	Municipalities will implement	✓	✓	✓	✓
Deferral of non-residential education property taxes	<p>Effective April 2020, provincial education property taxes for non-residential properties is deferred for six months. Municipalities are to follow the normal practice for setting the local rates for provincial education property taxes but amounts for non-residential property owners will be repaid in future tax years.</p> <p>Commercial landlords are encouraged to pass on the savings to their tenants through reduced or deferred payments in the short term.</p> <p>Details on implementation are yet to be released.</p>	Municipalities will implement	✓	✓	n/a	n/a
Vacation pay, leave or banked overtime	<p>Employees required to self-isolate may request to use available vacation pay, leave or banked time, but employers are not required to grant the request.</p> <p>Employers can request employees voluntarily take vacation leave and/or use their vacation pay or banked overtime but cannot force them to do so.</p>	✓	✓	✓	✓	n/a

Provincial Program	Description	Applies to employers			Applies to	
		Municipal Government	Private Sector	Not-for-Profit	Employee/individual	Self-employed
Flexibility for loans and access to credit	Small business customers of ATB can apply for a deferral on their loans and lines of credit as well as access additional working capital to improve cash flow. Interest will continue to accrue at the interest rate of the loan. Contact ATB for eligibility and application.	✓	✓	✓	n/a	n/a
	Personal banking customers of ATB Financial can apply for a deferral on their loans, lines of credit and mortgages for up to 6 months. Interest will continue to accrue at the interest rate of the loan. Contact ATB for eligibility and application.	n/a	n/a	n/a	✓	✓
	Personal and business banking members of Alberta credit unions may contact their credit union to discuss solutions to ease difficulties with loan payments and short-term cash flow.	✓	✓	✓	✓	✓
	Beginning March 30, 2020, the Government of Alberta will automatically place a six month interest-free moratorium on the repayment of Alberta Student Loans. Borrowers will still have the option to continue making their payments. This mirrors the approach used by the Canada Student Loans Program. No application required	n/a	n/a	n/a	✓	✓

Provincial Program	Description	Applies to employers			Applies to	
		Municipal Government	Private Sector	Not-for-Profit	Employee/individual	Self-employed
Deferral of WCB premiums	<p>To support short-term business cashflow, the Government of Alberta is deferring all 2020 Worker Compensation Board (WCB) premiums until 2021. When WCB resumes invoicing for 2020 premiums in 2021, small- and medium-sized private sector employers will have 50 per cent of their 2020 premiums waived.</p> <p>Employers who have already paid their WCB premium payment for 2020 are eligible for a refund or credit.</p> <p>Eligibility requirements No application is necessary unless an eligible organization is seeking a refund on previously paid premiums for the 2020 year.</p>	n/a	✓	TBD	n/a	✓
Deferral of utility payments	<p>Residential, farm, and small commercial customers can apply to defer electricity and natural gas bill payments up until June 18, 2020.</p> <p>To apply, households and businesses must contact their utility provider directly. Details are available in this backgrounder.</p>	TBD	✓	TBD	✓	✓
	<p>There have been suggestions by provincial leaders that municipalities should offer deferral of payments for water, wastewater, and garbage utilities. AUMA's message to the Government of Alberta is that each municipality must be able to determine how it supports its residents and businesses at the local level.</p> <p>Most municipalities are implementing 90-day utility deferral programs on a case-by-case basis, which are initiated through individual customer requests.</p>	✓	✓	✓	✓	✓
Deferral of corporate income tax	<p>Corporate income tax balances and instalment payments will be deferred from March 19, 2020 until September 1, 2020 to increase employers' access to cash so they can pay employees, address debts and continue operations.</p> <p>This measure aligns with the Government of Canada's deferral of income tax payments until September 1, 2020.</p>	n/a	✓	n/a	n/a	n/a

Provincial Program	Description	Applies to employers			Applies to	
		Municipal Government	Private Sector	Not-for-Profit	Employee/individual	Self-employed
Emergency isolation support	<p>Eligible persons will be able to access a one-time payment of \$1,146 in emergency support to assist in the period before the federal government's emergency programs begin in April 2020.</p> <p>Eligible persons are working adult Albertans who must self-isolate and who will not have another source of compensation while they are self-isolated.</p> <p>Eligibility requirements Application</p>	n/a	n/a	n/a	✓	TBD
Job-protected leave	<p>Changes to the Employment Standards Code will allow full-time and part-time employees to take 14 days of job-protected leave if they are required to self-isolate or must care for a child or dependent adult that is required to self-isolate.</p> <p>Employees should work with their employer to access leave under the various programs available in Alberta.</p>	n/a	n/a	n/a	✓	n/a