



Canada's COVID-19 Economic Response Plan – Insights for Family Physicians March 27, 2020

Background:

Since March 18th, 2020 the Prime Minister has announced several new economic measures as part of the Government of Canada's COVID-19 Economic Response Plan. This \$82 billion plan will provide up to \$27 billion in direct support to Canadian workers and businesses along with an additional \$55 billion to meet the liquidity needs of Canadian businesses and households through tax deferrals to help stabilize the economy. Many of these supports are relevant to family physicians, in their patient care and as business owners and employers. This briefing note highlights some of these measures that will be important for family physicians and their patients.

Supports for Businesses:

As many family physicians are small business owners, the following initiatives may help family practices facing interruptions in their business during the COVID-19 outbreak.

Helping Businesses Keep their Workers

Family physicians with their own practices may be eligible for a temporary wage subsidy. This subsidy will be equal to 75% of remuneration. This subsidy will be backdated to March 15, 2020. More details will be announced by Monday March 30th, 2020, including information on any potential caps (# of employees, total dollar value per business, duration, etc). The details of this update to the wage subsidy policy will likely drastically increase the overall value of the package beyond the \$82 billion figure.

Flexibility for Businesses Filing Taxes

The CRA is allowing all businesses to defer payment of any income tax amounts that become owing on or after March 18th and before September 2020 until **August 31, 2020**. This relief applies to tax balances due and installments. No interest or penalties will accumulate on these amounts during this period.

The CRA will not contact any small or medium businesses to initiate any post assessment GST/HST or Income Tax audits for the next four weeks. The CRA will temporarily suspend audit interaction with taxpayers and representatives for most businesses.

Family practices may also wish to access the [Liaison Officer service](#). This service is now available over the phone to help owners of small businesses to understand their tax obligations. The information will be customized to the changing situation regarding filing deadlines, proactive relief measures, or other tax topics.

Ensuring Businesses Have Access to Credit

On March 27th, the government announced that it will guarantee bank loans of up to \$40,000 for small businesses. These loans will be interest free for the first year and under certain conditions, up to \$10,000 of the loans may be non-repayable.

Small and medium-sized businesses are eligible for additional credit through the Business Credit Availability Program (BCAP). Businesses seeking support through BCAP should first contact their financial institution for an

assessment. Financial institutions will refer eligible clients to Export Development Canada and the Business Development Bank of Canada.

In addition, the Bank of Canada has cut the interest rate to 0.75% as a proactive measure. This will ensure that financial institutions can continue to extend credit to both businesses and households.

Support for Canadians:

Family physicians and their employees may be eligible for some of these benefits or may wish to inform patients of these to ensure they have access to support during the COVID-19 outbreak.

Temporary Income Support for Workers and Parents

Family physicians may find the following supports helpful both for themselves if they have dependents, as well as for providing information to patients and employees.

These measures have been put in place to help Canadians who do not have sick leave or similar workplace accommodation and who are sick, quarantined, or forced to stay home to care for ill family members or children due to illness or school closures:

- The federal government is waiving the 1 week waiting period for quarantined individuals that are eligible for and wish to claim **Employment Insurance (EI)** sickness benefits
 - The requirement to provide a medical certificate to access those benefits is also being waived
 - Application process and eligibility is detailed [here](#).
- The government is also introducing the **Canada Emergency Response Benefit (CERB)** which provides a taxable \$2000 a month for up to four 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 caring for someone who is sick with COVID-19; working parents who need to stay home and care for children; workers who are still employed but are not being paid due to insufficient work; and those who would not otherwise be eligible for Employment Insurance.

Applications to Emergency Response Benefit are expected to go online in **April 2020**. To access this benefit, the applicant must attest that they meet the eligibility requirements and must re-attest every two weeks to reconfirm their eligibility. There will be three ways to apply: through the CRA [MyAccount](#) secure portal, through your [My Service Canada Account](#), or by calling a toll-free number equipped with an automated application process (to be available in April).

- The Canada Child Benefit for 2019-20 benefit year is being increased by \$300 per child. These families will receive an extra \$300 per child as part of their May payment.
- Additionally, a six-month interest-free moratorium on the repayment of Canada Student Loans for all individuals currently in the process of repaying their loans



The government is also introducing system-level funding to Indigenous communities, homeless shelters, as well as women's shelters and sexual assault centres. This funding is earmarked for April and should increase the capacity of associated organizations to provide support and care to their target populations.

Conclusion:

The above measures have been highlighted due to their relevance to family physicians, their employees and their patients. For more information on other measures being undertaken as part of the federal government's economic response to COVID-19, please see the full backgrounder from the Government of Canada [here](#).

For further information:

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