

Government of Canada's COVID-19 Economic Response Plan

GENERAL SUPPORT FOR INDIVIDUALS

Increasing the Canada Child Benefit This Year

For over 3.5 million families with children, who may also require additional support, the Government is proposing to increase the maximum annual Canada Child Benefit (CCB) payment amounts, only for the 2019-20 benefit year, by \$300 per child. The overall increase for families receiving CCB will be approximately \$550 on average; these families will receive an extra \$300 per child as part of their May payment. In total, this measure will deliver almost \$2 billion in extra support.

Extra Time to File Income Taxes

In order to provide greater flexibility to Canadians who may be experiencing hardships during the COVID-19 outbreak, the Canada Revenue Agency will defer the filing due date for the 2019 tax returns of individuals, including certain trusts.

- For individuals (other than trusts), the return filing due date will be deferred until **June 1, 2020**. However, the Agency encourages individuals who expect to receive benefits under the GSTC or the Canada Child Benefit not to delay the filing of their return to ensure their entitlements for the 2020-21 benefit year are properly determined.
- For trusts having a taxation year ending on December 31, 2019, the return filing due date will be deferred until May 1, 2020.

The Canada Revenue Agency will allow all taxpayers to defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after today and before September 2020. This relief would apply to tax balances due, as well as instalments, under Part I of the *Income Tax Act*. No interest or penalties will accumulate on these amounts during this period.

In order to reduce the necessity for taxpayers and tax preparers to meet in person during this difficult time, and to reduce administrative burden, effective immediately the Canada Revenue Agency will recognize electronic signatures as having met the signature requirements of the *Income Tax Act*, as a temporary administrative measure. This provision applies to authorization 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.

The Canada Revenue Agency is adapting its Outreach Program to support individuals during COVID-19. Through this service, the Canada Revenue Agency offers help to individuals to better understand their tax obligations and to obtain the benefits and credits to which they are entitled. Traditionally available in-person, this service is now available over the phone, and through webinar, where possible.

The Canada Revenue Agency fully expects that many community organizations are considering whether to significantly reduce or perhaps cancel the provision of services provided under the Community Volunteer Income Tax Program. Additional efforts to encourage individuals to file their tax and benefit returns electronically, or where possible, through the File My Return service, will be put forward.

Mortgage Support

The Canada Mortgage and Housing Corporation (CMHC) and other mortgage insurers offer tools to lenders that can assist homeowners who may be experiencing financial difficulty. These include payment deferral, loan re-amortization, capitalization of outstanding interest arrears and other eligible expenses, and special payment arrangements.

The Government, through CMHC, is providing increased flexibility for homeowners facing financial difficulties to defer mortgage payments on homeowner CMHC-insured mortgage loans. CMHC will permit lenders to allow payment deferral beginning immediately.

Banks in Canada have also affirmed their commitment to working with customers to provide flexible solutions, on a case-by-case basis, for managing through hardships caused by recent developments. This may include situations such as pay disruption, childcare disruption, or illness. Canada's large banks have confirmed that this support will include up to a 6-month payment deferral for mortgages, and the opportunity for relief on other credit products. These targeted measures respond to immediate challenges being faced across the country and will help stabilize the Canadian economy.

SUPPORT FOR PEOPLE FACING UNEMPLOYMENT

Improved access to Employment Insurance

For Canadians without paid sick leave (or similar workplace accommodation) who are sick, quarantined or forced to stay home to care for children, the Government is waiving the one-week waiting period for those individuals in imposed quarantine that claim Employment Insurance (EI) sickness benefits. This temporary measure will be in effect as of March 15, 2020.

The new Emergency Support Benefit

For Canadians who lose their jobs or face reduced hours as a result of COVID's impact, the Government is introducing an Emergency Support Benefit delivered through the CRA to provide up to \$5 billion in support to workers who are not eligible for EI and who are facing unemployment.

SUPPORT FOR PEOPLE WITH LOW AND MODEST INCOMES

Increased goods and services tax credit this year

For over 12 million low- and modest-income families, who may require additional help with their finances, the Government is proposing to provide a one-time special payment by early May 2020 through the Goods and Services Tax credit (GSTC). This will double the maximum annual GSTC payment amounts for the 2019-20 benefit year. The average boost to income for those benefitting from this measure will be close to \$400 for single individuals and close to \$600 for couples. This measure will inject \$5.5 billion into the economy.

Enhancing the Reaching Home initiative

Providing the Reaching Home initiative with \$157.5 million to continue to support people experiencing homelessness during the COVID-19 outbreak. The funding could be used for a range of needs such as purchasing beds and physical barriers for social distancing and securing accommodation to reduce overcrowding in shelters.