

Office of the  
Prime Minister



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# Release

For immediate release

## **Prime Minister announces more support for workers and businesses through Canada's COVID-19 Economic Response Plan**

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Prime Minister's Office

The Government of Canada is taking strong and quick action to protect our economy, and the health, safety, and jobs of all Canadians during the global COVID-19 outbreak.

The Prime Minister, Justin Trudeau, today announced a new set of economic measures to help stabilize the economy and help Canadians affected by the impacts of this challenging period.

These measures, delivered as part of the Government of Canada's COVID-19 Economic Response Plan, will provide up to \$27 billion in direct support to Canadian workers and businesses, plus \$55 billion to meet liquidity needs of Canadian businesses and households through tax deferrals to help stabilize the economy. Combined, this \$82 billion in support represents more than 3 per cent of Canada's GDP. This wide-ranging support will help ensure Canadians can pay for rent and groceries, and help businesses continue to pay their employees and their bills during this time of uncertainty.

This plan builds on coordinated action taken since the beginning of this outbreak, including the more than \$1 billion COVID-19 Response Fund, which provided funding to provinces and territories to strengthen critical health care systems. It represents over \$500 billion in credit and liquidity support for people and businesses through cooperation between financial Crown corporations, the Bank of Canada, the Office of the Superintendent of Financial Institutions (OSFI), and commercial lenders to ensure businesses can continue to operate.

The actions announced today are part of Canada's whole-of-government response to COVID-19. As a first step, this plan aims to stabilize our economy through targeted measures to address immediate challenges faced by workers and businesses alike. It will help ensure that workers have the money they need while they are sick or in

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isolation, or due to loss of work or a significant reduction in work income, and help support people and businesses experiencing financial hardship because of the outbreak.

Canadians should not make health decisions based on their financial needs. As the situation continues to evolve, further measures will be announced to support Canadians, stimulate the economy, and protect peoples' jobs and livelihoods..

## **Support for workers**

Canadians should not have to worry about paying their rent or mortgage or buying groceries because of the COVID-19 crisis. To support workers and their families, the Government of Canada is taking action to:

- Provide additional assistance to families with children by temporarily boosting Canada Child Benefit payments. This measure would deliver almost \$2 billion in extra support.
- Introduce an Emergency Care Benefit of up to \$900 bi-weekly for up to 15 weeks to provide income support to workers who must stay home and do not have access to paid sick leave. This measure could provide up to \$10 billion to Canadians, and includes:
  - Workers, including the self-employed, who are sick, quarantined, or who have been directed to self-isolate but do not qualify for Employment Insurance (EI) sickness benefits.
  - Workers, including the self-employed, who are taking care of a family member who is sick with COVID-19, such as an elderly parent or other dependents who are sick, but do not qualify for EI sickness benefits.
  - EI-eligible and non EI-eligible working parents who must stay home without pay because of children who are sick or who need additional care because of school closures.
- Introduce an Emergency Support Benefit delivered through the Canada Revenue Agency to provide up to \$5 billion in support to workers who are not eligible for EI and who are facing unemployment.
- Provide additional assistance to individuals and families with low and modest incomes with a special top-up payment under the Goods and Services Tax (GST) credit. This measure would inject \$5.5 billion in the economy.
- Waive, for a minimum of six months, the mandatory one-week waiting period for EI sickness benefits for workers in imposed quarantine or who have been directed to self-isolate, as announced on March 11.
- Waive the requirement for a medical certificate to access EI sickness benefits.
- Extend the tax filing deadline for individuals to June 1, and 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. This measure will result in households having more money available during this period.

- Provide eligible small businesses a 10 per cent wage subsidy for the next 90 days, up to a maximum of \$1,375 per employee and \$25,000 per employer. Employers benefiting from this measure would include corporations eligible for the small business deduction, as well as not-for-profit organisations and charities. This will help employers keep people on their payroll and help Canadians keep their jobs.
- Provide increased flexibility to lenders to defer mortgage payments on homeowner government-insured mortgage loans to borrowers who may be experiencing financial difficulties related to the outbreak. Insurers will permit lenders to allow payment deferral beginning immediately.

In addition, to provide targeted support for vulnerable groups, the Government is investing to:

- Reduce minimum withdrawals from Registered Retirement Income Funds (RRIFs) by 25 per cent for 2020 in recognition of volatile market conditions and their impact on many seniors' retirement savings.
- Implement a six-month, interest-free, moratorium on Canada Student Loan payments for all individuals who are in the process of repaying these loans.
- Provide \$305 million for a new distinctions-based Indigenous Community Support Fund, to address immediate needs in First Nations, Inuit, and Métis Nation communities.
- Support women and children fleeing violence by providing up to \$50 million to women's shelters and sexual assault centres to help with their capacity to manage or prevent an outbreak in their facilities. This includes funding for facilities in Indigenous communities.
- Provide an additional \$157.5 million to address the needs of Canadians experiencing homelessness through the Reaching Home program.

## **Support for businesses**

In the face of an uncertain economic situation and tightening credit conditions, the Government is taking action to help affected businesses. To support Canadian businesses and help them retain their workers during this difficult time, the Government is announcing measures to:

- Allow all businesses 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. This measure will result in businesses having more money available during this period.
- Increase the credit available to small, medium, and large Canadian businesses. As announced on March 13, a new Business Credit Availability Program will

provide more than \$10 billion of additional support to businesses experiencing cash flow challenges through the Business Development Bank of Canada and Export Development Canada. The Government is ready to provide more capital through these financial Crown corporations.

- Further expand Export Development Canada's ability to provide support to domestic businesses.
- Provide flexibility on the Canada Account limit, to allow the Government to provide additional support to Canadian businesses, when deemed to be in the national interest, to deal with exceptional circumstances.
- Augment credit available to farmers and the agri-food sector through Farm Credit Canada.
- Launch an Insured Mortgage Purchase Program to purchase up to \$50 billion of insured mortgage pools through the Canada Mortgage and Housing Corporation (CMHC). As announced on March 16, this will provide stable funding to banks and mortgage lenders and support continued lending to Canadian businesses and consumers. CMHC stands ready to further support liquidity and the stability of the financial markets through its mortgage funding programs as necessary. The Government will enable these measures by raising CMHC's legislative limits to guarantee securities and insure mortgages by \$150 billion each.

The six largest financial institutions in Canada have made a commitment to work with personal and small business banking customers on a case-by-case basis to provide flexible solutions to help them manage through challenges, such as pay disruption due to COVID-19, childcare disruption due to school or daycare closures, or those suffering from COVID-19. As a first step, this support will include up to a six-month payment deferral for mortgages, and the opportunity for relief on other credit products. The Government of Canada will continue to monitor evolving economic conditions and seek greater relief measures should it be necessary.

In order to move forward with implementing these new measures needed to provide timely support for Canadians and to ensure the Government has every tool at its disposal to address potential challenges that may arise, the Government intends to introduce special legislation and seek the approval of Parliament.

The Government of Canada will continue to take further action as required to prioritize the health and safety of Canadians, stabilize the economy, and mitigate the economic impact of this pandemic.

### **Quotes**

"No Canadian should have to worry about paying their rent or buying groceries during this difficult time. That is why we are taking the strong action needed to stabilize our economy and help those impacted by the COVID-19 virus. Together, we will get through this difficult time."

—The Rt. Hon. Justin Trudeau, Prime Minister of Canada

“These are extraordinary times and we must take extraordinary measures. The Government of Canada will do whatever it takes to ensure that the health of Canadians is protected, families and businesses are supported and our economy remains strong, even in the face of uncertainty. I am working with the financial sector, the Bank of Canada, my provincial and territorial colleagues, and my counterparts from around the world to keep coordinating on significant actions to protect the Canadian and global economy. Canadians can rest assured that we are ready to take all necessary measures to meet the challenges ahead.”

—The Hon. Bill Morneau, Minister of Finance

### **Related Product**

- [Canada’s COVID-19 Economic Response Plan: Support for Canadians and businesses](#)

### **Associated Links**

- [Prime Minister outlines Canada’s COVID-19 response](#)
- [Government of Canada takes action on COVID-19](#)
- [Canada outlines measures to support the economy and the financial sector](#)

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