

Summary of Federal and Provincial COVID-19 Financial Relief Announcements

My, how things have changed over the past few weeks in our city, province, and around the world. The pace of the 24-hour news cycle can be dizzying and in the non-stop reporting of the progress of the COVID-19 virus, it can be hard to look away. Yet, it is still easy to miss some of the actions our governments are taking to protect the financial stability of people in this province as we self-isolate and businesses around us close.

Without diminishing the human impact of the spread of the virus, the change in our way of life, and the negative effects that self-isolation can have on people, there is also a financial impact to the many people across the province who cannot go to work as businesses, restaurants, and stores close. Over the last week, both the federal and provincial governments have announced new support legislation to protect and provide income security for people impacted by the COVID-19 virus.

The following is not a comprehensive list of the announcements, but it is a list of changes and benefits that may impact people with lower incomes, people on ODSP, and their families. While further announcements may come, these are the important announcements as of March 26th.

Note: Not all announced programs are up and running yet. While every attempt is being made to keep this information up to date, there may be announced benefits that are not included.

Changes that Impact Everyone

Tax Filing Deadline Extended

The Deadline for filing taxes has been moved from April 30th to June 1st. CRA continues to process tax returns, so if you are expecting a tax refund, you may want to file your taxes in advance of the new deadline.

Note: For people who receive ODSP and other low income people that receive benefits like the Goods and Services Tax credit (GST) and the Canada Child Benefit, you should file your tax return by the end of April to ensure your payments can be properly calculated to continue in July without disruption.

Extension of Permits, Licences and Health Cards in Ontario

The Ontario government has extended the validation period for any permits, driver licences and health cards expiring on or after March 1st to reduce in-person visits to Service Ontario offices.

Employment Insurance (EI) and the Canada Emergency Support Benefit (CERB)

Although it may still take a few weeks to roll things out, and things may change again before then, here's what Employment Insurance and the newly announced Canada Emergency Support Benefit should look

like over the coming weeks and months. Two previously announced EI enhancements have been cancelled and rolled into the CERB.

If you are unable to work because you are sick, injured, or required to be self-quarantined (because of exposure to someone who is sick), you are eligible for Employment Insurance sickness benefits. You should apply online at www.servicecanada.gc.ca. You can receive benefits for up to 15 weeks through EI sickness benefits. EI benefits are taxable income.

As of March 15th, for people who are applying for Employment Insurance sickness benefits, the one week waiting period has been eliminated and the requirement to provide a medical note has been waived.

The CERB is designed to provide support to all other Canadians who will lose income as a result of COVID-19. People who are eligible for the CERB would include:

- Working parents who must stay home (without pay) to care for children who are at home because they are sick or because their day care or school is closed;
- People who are not eligible for EI but lose their job, get sick, have to quarantine, or stay home to care for someone who is sick with COVID-19;
- People who are still employed but can't earn an income because of the disruption caused by COVID-19. For example, if your employer is closed because the government requires that business to be closed.

The CERB will provide \$2,000 in taxable income every four weeks from March 15th until October 3rd. Anyone currently receiving EI sickness benefits can apply for the CERB after EI benefits finish and until October 3rd.

There are three ways to apply for CERB: the CRA MyAccount online portal, your My Service Canada Account online, or by calling a toll-free phone number once it is set up. Access to apply for the CERB is expected to be available on April 6th and it is expected that it will take 10 days to process the application.

ODSP recipients have an obligation to make all reasonable efforts to pursue and obtain any financial resources available to them. That includes EI and, presumably, the CERB. This means anyone who was working but is unable to during the COVID-19 crisis must apply for either EI or the CERB if they are eligible. Any income earned on EI must be reported to ODSP and that income will be deducted dollar for dollar from ODSP income. It can be assumed the same would be true of the CERB.

For most people who are deciding between applying for EI or the CERB, there are probably two considerations: How much will I get on each program and when will I start receiving benefits?

EI pays 55% of your income to a maximum of \$573 a week (or \$2,292 for four weeks). Anyone making more than about \$47,300 in income will receive more in benefits by choosing EI over the CERB. Anyone making below \$47,300 will receive more in benefits through the CERB.

However, there is a backlog for EI applications, and it could take much longer than a month after you apply to receive EI benefits. The CERB is scheduled to start accepting applications on April 6th with the first payments anticipated to go out 10 days after an application is received which would mean the government anticipates the first payments would be received on April 16th. It's important to note that this is a brand-new large-scale program and it may not roll out as scheduled or as anticipated.

Other Provincial Protections Announced

The provincial government has also taken several steps to protect vulnerable people during the COVID-19 crisis including:

- Temporary Suspension of Eviction Orders;
- Job-protected leave for people that are showing symptoms or are forced to self-isolate without the need to provide a doctor's note;
- Effective March 24th, all Time-of-Use Rates for hydro in the province are suspended and electricity will only be charged at off-peak rates for 45 days;

Changes that Impact Lower Income Ontarians and ODSP Recipients

One-Time Increase to the GST Credit

There will be a one-time special payment with the GST credit payment in early May. The special payment will double the maximum annual payment amounts for the 2019-2020 year. The average increase will be close to \$400 for a single person and close to \$600 for couples. GST credit recipients do not need to do anything to receive the special payment.

Amount for COVID-19 Related Expenses for Existing ODSP Recipients

The provincial government has announced that a discretionary payment may be issued to existing ODSP recipients to help with some of the costs you may experience as a result of preparing for or living with COVID-19. The government expects these funds to be used towards cleaning supplies, food, or shelter costs from self-isolating or quarantine for the treatment of COVID-19. This program will be administered through the Ontario Works Emergency Assistance Program and ODSP recipients should contact their caseworker to access the funds. This program was announced on March 24th and may not be fully operational right away.

Changes that Impact Parents of Minor Children

Canada Child Benefit

The amount of the Canada Child Benefit will be increased to support families with children. There will be a temporary increase for the 2019-2020 year only to a maximum benefit of \$300 per child. This payment will accompany the May payment. Recipients do not need to do anything to receive the increased payment.

One-Time Payment for Parents in Ontario

Parents with children under 12 years of age will be eligible to receive a one-time payment of \$200 to help offset the costs of having children home from school and day care. Parents of a child with a disability will receive \$250. Parents will have to apply for this benefit at an online portal which has not yet been set up.

Changes that Impact Seniors

Reduction of RRIF Minimum Withdrawals

For Canadians that have Registered Retirement Income Fund accounts, they are required to take a minimum amount from the account every year. As a result of the volatility in the stock and bond markets, the federal government has announced that the minimum required withdrawal amounts will be reduced by 25% for this year to allow Canadians to keep more of their savings invested and allow markets time to recover.

Details are starting to emerge on how this announcement will be administered and your financial institution may be prepared to help you take advantage of this benefit if you are interested.

Short-Term Increase to the Guaranteed Annual Income System (GAINS)

The Guaranteed Annual Income System (GAINS) is a monthly benefit for low-income seniors if they meet the eligibility requirements. The Provincial government in the Fiscal Plan for COVID-19 Response announced that the payments to seniors would be doubled for six months. The maximum payment will increase to \$166 per month for single people and \$332 for couples.