

March 26, 2020

Managing your sport organization in the COVID-19 environment

As this is a rapidly changing environment, the information contained in this summary document may not be the most up to date and we have used best efforts to provide the most accurate information available at the time of writing. Please follow the links provided to obtain the latest information.

Over the past weeks there have been a number of government announcements at the federal and provincial level addressing the economic impact of COVID-19 on businesses and individuals. Below is a summary of some areas that may assist sport organizations in managing their employees and business in this unsettled time.

Federal Government Financial Initiatives

Additional Information on these initiatives can be found here [Canada's Covid-19 Economic Response Plan](#)

Support For Business - Available Immediately

Temporary Wage Subsidy

Eligible small employers (including not for profits) may be able to receive a temporary wage subsidy for a three-month period equivalent to 10% of remuneration paid up to a maximum of \$1,375/employee and \$25,000 per employer. Employers can immediately reduce their remittances of income tax withheld on their employees' remunerations. This applies to the period March 18, 2020 to June 20, 2020. Additional information can be found here: [Temporary Wage Subsidy](#)

Flexibility for Businesses Filing Taxes

Businesses can defer payment of income tax amounts until after August 31, 2020. This applies to amounts owing as well as installment payments. Not interest or penalties will be charged.

Business Credit Availability Program (run by the Business Development bank and Export Development Canada) will provide an additional \$10 billion dollars in loans to qualifying small and medium businesses. In addition, the risk weighted asset rate is lowered to 1.25% allowing more businesses to qualify for loans. Contact your bank for information on this program.

Support for Individuals – Available Immediately

Flexibility for Taxpayers

- Deferral of 2019 income tax filing until June 1, 2020
- Deferral of income tax payments until After August 31, 2020. This includes amounts owed on 2019 income tax filing as well as 2020 installment payments. No penalties or interest will be charged

Support for Individuals – Awaiting Royal Assent

At time of writing, these initiatives are not approved and there are limited details available. Please check back on this website for the most up to date information [Canada's Covid-19 Economic Response Plan](#)

Goods & Services Tax Credit

- Low and modest income families who qualify for the Goods and Services Tax Credit can receive a one time HST payment by early May 2020 of approximately \$400 for singles and \$600 for couples.

Canada Child Benefit

- An additional \$300/child as part of their May 2020 payment

Canada Student Loans

- 6 month interest-free moratorium on repayment for Canada Student Loans

Mortgage Default Management tools

- Canada Mortgage and Housing Corp is providing mortgage payment relief by permitting lenders to allow payment deferral. Contact mortgage provider for details.

Support for Workers – Requiring Royal Assent

Emergency Response Benefit

To support workers and help businesses keep their employees, the government has proposed legislation to establish the Canada Emergency Response Benefit (CERB). This taxable benefit would provide \$2,000 a month for up to four months for workers who lose their income as a result of the COVID-19 pandemic. The CERB would cover Canadians who have lost their job, are sick, quarantined, or taking care of someone who is sick with COVID-19, as well as working parents who must stay home without pay to care for children who are sick or at home because of school and daycare closures. The CERB would apply to wage earners,

Sport Law & Strategy Group

as well as contract workers and self-employed individuals who would not otherwise be eligible for Employment Insurance (EI).

Additionally, workers who are still employed, but are not receiving income because of disruptions to their work situation due to COVID-19, would also qualify for the CERB. The portal for accessing the CERB would be available in early April. More information can be found here [CERB](#)

Additional benefits

For individuals without paid sick leave who are sick, quarantined or forced to stay home to care for children or someone who is sick:

- 1 week waiting period for Employment Insurance claims removed for those individuals forced or recommended to be in quarantine or isolation.
- Waiving the requirement to provide medical certificate to access EI sickness benefits

Provincial and Territorial Government Business and Employee Initiatives

Most provinces have announced some form of relief for businesses and employees in relation to COVID-19. Check these links for the most up to date information

[BC Government Initiatives](#)

[Alberta Government Initiatives](#)

[Saskatchewan Government Initiatives](#)

Manitoba – no information available

[Ontario Government Initiatives](#)

[Quebec Government - Temporary Aid for Workers Program](#)

New Brunswick – no information available

[Nova Scotia Government Initiatives](#)

Newfoundland – no information available

Nunavut – no information available

[Northwest Territories Government Initiatives](#)

Temporary Layoffs

Organizations considering temporary layoffs must abide by the provincial employment standards act with regards to maximum duration of the temporary layoff and consider the common law implications of temporary layoffs which may be construed as constructive dismissal (please consult with a lawyer). Links to the relevant provincial ESA's can be found through the links below:

[BC Employment Standards - Temporary Layoffs](#)

[Alberta Employment Standards - Temporary Layoffs](#)

[Saskatchewan Employment Standards - Temporary Layoffs](#)

[Manitoba Employment Standards - Temporary Layoffs](#)

[Ontario Employment Standards - Temporary Layoffs](#)

[Quebec Employment Standards - Temporary Layoffs](#)

[New Brunswick Employment Standards - Temporary Layoffs](#)

[Nova Scotia Employment Standards - Temporary Layoff](#)

[Newfoundland Labour Standards - Temporary Layoffs](#)

[Nunavut Labour Standards Code](#)

[Northwest Territories Employment Standards Act](#)

Records of Employment

During this time of heightened layoffs due to COVID-19, it is important that employers complete the Record of Employment correctly so that there is no delay in employees being able to access EI benefits. Of particular importance is ensuring that the Reason Code included on the ROE is correct.

Depending on the circumstances, your COVID-19 related reason codes will either be:

Sport Law & Strategy Group

- A – Shortage of Work: If company is temporarily closing because of COVID-19 or parts of their business are shutting down
- D – Illness or Injury: If employee has COVID-19 or if employee came back from a trip and is in quarantine
- N – Leave of Absence: If employee is staying home because of no daycare or if employee refuses to work because of COVID-19 or if employee is back from trip not sick but Mandatory Quarantine

For layoffs related to COVID-19, it is very important that the employer does NOT enter anything in Box 18 of the ROE. Any ROE's that have notes in this box will be removed from the automated processing system and transferred to a case worker. This will greatly increase the processing time for the EI claim.

As mentioned at the beginning this is a very fluid time and new announcements are being made daily. We will endeavour to update this posting as quickly as possible and we encourage you to check the links provided on a regular basis.

If we can be of assistance during this challenging time, please contact:

Steve Indig sji@sportlaw.ca or Kathy Hare keh@sportlaw.ca