

Joleen Kaminski

From: Joleen Kaminski
Sent: April 1, 2020 1:11 PM
To: Ken McCormack
Cc: Paul Strangway; Joleen Kaminski
Subject: COVID 19 Update: April 1

Importance: High

CLR Members,

Today, the federal Finance Minister provided more information on the Canada Emergency Wage Subsidy. The subsidy raises the previously announced 10% wage subsidy to 75% of wages for qualifying businesses. To qualify, a business that is not publicly funded and can demonstrate a 30% or more reduction in revenues from the same period in the previous year can apply. The subsidy applies to the first \$58,700 of an employee's earning (therefore up to \$847/week). It is available for the months of March, April and May so far, and businesses need to re-apply each month. The Minister made it clear that employers are strongly encouraged to pay the remaining 25% of an employee's salary, but did not make it a requirement.

Applications are to be made to the Canada Revenue Agency (CRA) through an online portal which should be available in a couple of weeks. If approved, funds are to be made available in 6 weeks. The overall cost of the program is approximately \$71 billion which is on top of the \$24 billion announced under the Canada Emergency Response Benefit. At this point, it appears as though recipients must choose between the two programs and would not be eligible for both.

Previously, the Prime Minister mentioned that there would be enforcement and "serious consequences" for businesses that take advantage of the subsidy. In his announcement on Monday, the Prime Minister asked businesses to "do the right thing" meaning that if a business is able to pay their employees the difference between the 10% and 75% wage subsidy (or some portion of it), they are expected to do so and free up more of the available funds for businesses in most need. At the same time, he mentioned that more details around enforcement would be announced. When the Finance Minister was asked about enforcement today, he confessed that they are not clear yet on how they will enforce the program against those who do take advantage of it.

In response to a number of questions about how the government will determine eligibility for new businesses and businesses whose revenue may be staggered, the Minister indicated the government would demonstrate some flexibility but again, could not offer much at this time in terms of details. As the Minister pointed out, a program of this scale and magnitude usually would take a year to define and implement, but in fact has been put together over the past week. As such, details will have to be made available as they are developed. At this point, the government simply wanted to inform businesses of the potential of the impending wage subsidy to help protect the viability of their business, and the livelihoods of their employees.

Those businesses that do not qualify for the Canada Emergency Wage Subsidy may continue to qualify for the previously announced wage subsidy of 10% of remuneration paid from March 18 to before June 20, up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer. This subsidy is accessed by simply reducing remittance for source deductions during the eligible period.

There were several other government supports that were included in the announcements as reminders to Canadians. Applications for the Canada Emergency Response Benefit will be accepted starting on April 6th with payments to follow within 3-6 days if applicants sign up for direct deposit. If a cheque is preferred, payments should be made within 10

days. Apparently applicants do not need to reapply each month, but would be required to confirm periodically that they remain not actively working. The government also reminded businesses during their announcements that a \$40,000 interest free loan is available for small businesses, and government is permitting businesses to defer tax payments.

Please also see below a notice from the BC Business Council (BCBC)

The notice includes a link to a survey through which BC businesses are invited to post issues that they would like addressed with government. In addition, the BCBC is asking for businesses with a surplus of Personal Protection Equipment (PPE) and supplies to register on their Hub so they can help facilitate the movement of those supplies to where they are most needed in the healthcare system. Please consider what you are able to do to assist and submit your information.

Sincerely,

Ken McCormack | President & CEO

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COVID-19 SUPPLY HUB

WHERE LEADERS MEET TO UNLOCK BC'S FULL POTENTIAL



APRIL 1, 2020

Dear Ken,

As you have likely heard through the media, the COVID-19 virus has resulted in an unprecedented consumption of Personal Protective Equipment (PPE) in the healthcare system. B.C.'s suppliers and manufacturers are doing their part, stepping up to relieve the possible shortages of these products. The challenge is there has been no single effective way for suppliers to understand the most pressing product needs and specifications, become newly certified, or for the Health Authorities to efficiently evaluate the overwhelming number of proposals being received.

In an effort to facilitate fast and effective supply chain and procurement protocols, the Business Council, the Digital Technology Supercluster and Traction on Demand have been working with the B.C. Government Provincial Health Services Authority on a solution. This important initiative has resulted in a system to triage the many and diverse inquiries to ensure that qualified suppliers can connected directly to the prioritized institutions and organizations.

The [COVID19 Supply Hub](#) is now live. I encourage you to explore this resource to see if you can contribute any of the needed supplies. Please also share this information with your business and personal networks so we can reach as many potential suppliers as possible.

I would especially like to thank **David Labistour**, a member of our Executive Committee, and our Chair, **Sue Paish**, President and CEO, and **Bill Tam**, Co-Founder and Chief Operating Officer, Digital Technology Supercluster, for their leadership in making the [COVID-19 Supply Hub](#) possible.

Greg D'Avignon

President and CEO

ADDITIONAL RESOURCES

- [Province of British Columbia COVID-19 Supply Hub News Release](#)
- [Digital Technology Supercluster Collaboration Develops Urgently Needed COVID-19 Supply Hub](#)
- [Digital Technology Supercluster Call for COVID-19 Solutions](#)

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