



## ONTARIO FISCAL UPDATE

The Government of Ontario announced its 2020 Fiscal Update. This is a 1-year plan for the economy, totaling \$17 billion. As a result of COVID-19, the provincial budget will be delayed until the Fall.

The focus of this fiscal update is primarily focused on supporting the health care system first. However, these are only the first steps, and more economic actions are expected to come later. Additional economic relief measures (i.e., Pension Reforms) are still under consideration.

### KEY HIGHLIGHTS

- A \$3.7 billion business support package for improving cash flow for industry
- \$10 billion in measures to improve cash flow
  - 10 provincial taxes that will be deferred, including the Employer Health Tax (a payroll tax) from April 1st to August 31st
  - Freezing WSIB premiums effective immediately for 6 months, which accounts for \$2 billion.
  - A tax cut to the Employer Health Tax (EHT).
    - The exemption threshold associated with the tax will be doubled to \$1 million
    - There will be a 1-year retroactive to the start of the calendar year
    - 27,000 businesses will pay less EHT and 30,000 businesses will pay no EHT
  - A new regional opportunities investment tax credit as part of a new program for economically depressed regions.
  - Property tax assessments will be delayed

## WORK SHARE PROGRAM STREAMLINING

In response to CME lobbying, the Work Share program process has been improved. The application process has been simplified and forms 5100 and 5101 have been updated accordingly. Companies can now apply for the entire 76 weeks program right at the start through one single application. They have also introduced e-mail approvals to process applications more quickly, in addition to adopting a lax approach to approvals of applications. This means that if you had ruled out work share as a possible option previously, it may be worth revisiting to see if the changes made help you.

Guidance and toolkits, both for employers and employees, will be available shortly.

### CANADA EMERGENCY RESPONSE BENEFIT (CERB)

Announced today, the CERB is a simpler and more accessible combination of the previously announced Emergency Care Benefit and Emergency Support Benefit. It is more universal and is a response to many of CME's recommendations to improve the EI system and the older emergency relief programs.

This taxable benefit provides \$2,000 a month for up to four months for workers who lose their income as a result of the COVID-19 pandemic. 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.

This benefit will not be available until April and will take at least 10 days to pay out benefits. CME is calling for direct wage subsidies through employers as a better way to help keep workers on the payroll. [More details...](#)

### PARLIAMENT PASSES COVID-19 RELIEF LEGISLATION

The government's emergency COVID-19 relief bill was passed by the House and Senate and received Royal Assent this afternoon. The dollar amount of the package increased from \$82B to \$107B to account for the addition of the new Canada Emergency Response Benefit (CERB). Under the Bill, the Finance Minister was given temporary enhanced spending powers as well. This legislative hurdle had to be overcome in order for the government to begin rolling out all the business and individual relief measures announced to date.