

March 31, 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 and others can be found here [Canada's Covid-19 Economic Response Plan](#)

Support For Business

Emergency Wage Subsidy (this replaces the previously announced 10% subsidy)

Eligible small employers (including not for profits) may be able to receive a wage subsidy for a three-month period equivalent to 75% of remuneration paid to a maximum of \$58,700 annual salary per employee. This works out to at most \$846.63/week. This subsidy will be effective March 15 – June 15, 2020.

In order to be eligible for this subsidy, employers must have experienced a 30% or more decline in gross revenue due to COVID-19. This could include lost memberships, registrations, cancelled event revenues.

Employers are encouraged to cover all or some of the remaining 25% of remuneration if they have the reserves available to do this but this is not a requirement for receiving the 75% subsidy.

At this time, there are no additional details on how organizations will be reimbursed these funds or how to apply. Additional information can be found here: [Emergency Wage Subsidy](#)

Emergency Business Account

Small business and not for profits can apply for up interest free loans of up to \$40,000 and up to \$10,000 of that amount will be forgivable for businesses meeting certain conditions. Eligible organizations must have had payroll costs between \$50,000 and \$1,00,000 in 2019. Contact your financial institution for more information.

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.

Deferral of GST/HST Payments

Businesses can defer any GST/HST payments or installments until June 30, 2020.

Support for Workers

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, 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 should 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

Support for Individuals

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

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.

Sport Law & Strategy Group

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

[Prince Edward Island Government Initiatives](#)

[Nova Scotia Government Initiatives](#)

Newfoundland – no information available

Nunavut – no information available

[Northwest Territories Government Initiatives](#)

[Yukon 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](#)

[Prince Edward Island Employment Standards - Temporary Layoffs](#)

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

[Newfoundland Labour Standards - Temporary Layoffs](#)

[Nunavut Labour Standards Code](#)

[Northwest Territories Employment Standards Act](#)

[Yukon Employment Standards Act](#)

Sport Law & Strategy Group

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:

- 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