

Financial Supports for Local Unions with Paid Staff

Oct. 26, 2020

FEDERAL MEASURES

Canada Emergency Wage Subsidy (CEWS)

What is it?

- A subsidy currently up to 65% of salary to a maximum of \$734 per week per employee until June 2021. Maximum salary replacement levels vary for earlier periods, and may change for periods after December 2020.

Who's eligible?

- All eligible employers who saw a 15% drop in revenue in March and a 30% drop in revenue in April, May and June 2020. All eligible employers who saw a revenue loss, no matter the scale, in July - December 2020.

Brief description:

- Government will currently subsidize up to 65% of employee wages to a maximum of \$734 per week per employee until June 2021. Maximum salary replacement levels vary for earlier periods, and may change for periods after December 2020.
- No cap on how much an employer can receive.
- Claims can be made retroactively to March 15, 2020.
- Applies to active employees as well as those who have been furloughed because of a lack of work.
- Organizations that qualify for the wage subsidy will be able to furlough staff to keep them on payroll if there is a lack of work for them to do, and receive a full refund of employer contributions towards CPP, EI, QPP and other such programs.
- Organizations can calculate their revenues using either accrual or cash accounting -- whichever

best captures their losses.

- Program description for the period from July 5 to December 19, 2020:
 - The 30% revenue decline criteria for eligibility has been removed. All eligible employers that are experiencing revenue declines are eligible for the program, with the subsidy amount adjusted to the scale of revenue decline.
 - A new top-up subsidy of up to 25% for organizations that have seen a revenue drop of more than 50% has been introduced.

• Source: Adapted from Imagine Canada

Unifor information sheet on the wage subsidy program: [click here](#)

Q&A on the program from a major non-profit organization: [click here](#)

Government program: [click here](#)

Work sharing

What is it?

- Access to EI to supplement lower weekly pay resulting from reduced hours (ranging from a 10% to 60% reduction in hours); supplement equal to 55% of normal earnings capped at the EI maximum, for up to 76 weeks.

Who's eligible?

- All employers with two or more employees.

Brief description:

- The work-sharing program is an adjustment program administered through Service Canada, designed to help employers avoid layoffs during times of temporary economic difficulty. It allows employers to schedule reduced workweeks for their employees, who can then access EI for an income supplement.
- Due to COVID-19, the length of time that employers are permitted to use the work-sharing program has been increased to 76 weeks from the usual limit of 38 weeks. The mandatory waiting period has also been waived.

Unifor information sheet on work sharing: [click here](#)

Government program: [click here](#)

Canada Emergency Business Account (CEBA)

What is it?

- Up to \$60,000 interest-free loan until the end of 2022, of which \$20,000 is forgivable.

Who's eligible?

- All employers with total 2019 payrolls between \$20,000 and \$1.5 million.
- Employers with payrolls lower than \$20,000 are also eligible if they have eligible non-deferrable expenses between \$40,000 and \$1.5 million.
- CEBA only includes local unions if they are registered as a corporation that files a T2 tax return and generate a portion of revenue from the sales of goods or services. This likely excludes most local unions, but could apply to a local union building corporation or other related operations.

Brief description:

- This program, which is run by financial institutions on behalf of the federal government, provides interest-free loans of up to \$60,000 to all employers with an annual payroll between \$20,000 and \$1.5 million.
- Employers with payrolls lower than \$20,000 are also eligible if they have a business operating account at a participating financial institution, a Canada Revenue Agency business number, have filed a 2018 or 2019 tax return, and have eligible non-deferrable expenses between \$40,000 and \$1.5 million.
- As of October 26, the CEBA will be available to businesses that have been operating out of a non-business banking account.
- The funds are intended to support ongoing operational expenses including payroll, rent, utilities, insurances, property tax, and scheduled debt payments.
- The loan is interest free until the end of 2022, and one-third is forgivable (i.e., if \$60,000 is borrowed, and \$40,000 is paid back by the end of 2022, borrowers can keep \$20,000).
- Loans are arranged through organizations' regular financial institutions. If eligible, local unions should check their financial institutions' website for information and the application process.
- The application deadline is December 31, 2020.

Government program: [click here](#)

PROVINCIAL AND TERRITORIAL MEASURES

Provincial and territorial governments implemented several support programs during the COVID-19 pandemic. In many instances, these measures apply equally to non-profits, including local unions, and all employers. Many programs have closed, while access to others continues. Always check directly with the program for details on eligibility and procedures.

Grants and loans

A number of provinces implemented support programs providing one-time grants and loans that apply to non-profits. Eligibility rules continue to evolve. As of writing, these programs remained open:

- **Quebec Small and Medium Enterprises Emergency Loans**
 - Loans of up to \$50,000, including for non-profits, arranged through regional economic development offices and dedicated local investment funds. [click here](#)
- **Alberta Small and Medium Enterprise Relaunch Grant**
 - Grants up to 15% of revenue to a maximum of \$5,000 to all organizations that were ordered to close or curtail operations, and that experienced a revenue reduction of at least 50%, as a result of the COVID-19 pandemic. [click here](#)
- **New Brunswick Community Investment Fund Covid-19 Relief**
 - Grants up to \$10,000 for certain community activities including festivals, national events, volunteer recognition events and community growth initiatives. [click here](#)
- **British Columbia Small and Medium-Sized Business Recovery Grant**
 - Grants between \$10,000 to \$30,000 for organizations that experienced revenue loss of at least 70% during March 2020 and April 2020, continue to earn 50% or less of pre-COVID revenue levels, and employ between 2 and 149 people. [Click here](#)
- **Manitoba Back to Work Initiative**
 - Grants to cover 50% of wage costs between July 16 and December 31, 2020 for new or re-hired employees, to a maximum of \$5,000 per employee. [click here](#)

Payroll deductions relief

A number of provinces are providing for deferrals of workers' compensation premiums, and deferrals and reductions to employer health taxes, among other tax-relief measures.

- **Workers' compensation premiums deferrals**
 - Several provinces are allowing for deferrals of workers' compensation premiums. As of

writing, Alberta, Ontario and New Brunswick have premium deferrals in effect. (Check provincial business supports below for more details.)

- **Employer health tax reductions and deferrals**

- Ontario implemented a higher payroll exemption, which results in lower employer health taxes for some employers. British Columbia delayed filing and payment of 2020 employer health taxes. (Check provincial business supports below for more details.)

Provincial and territorial COVID-19 business supports

Other support measures that may be available to local unions continue to evolve as some new programs are opening, while others have closed. Details and procedures continue to be adjusted on a regular basis. Local unions are encouraged to check for updates on support measures that may be of assistance.

- British Columbia: [click here](#)
- Alberta: [click here](#)
- Saskatchewan: [click here](#)
- Manitoba: [click here](#)
- Ontario: [click here](#)
- Quebec: [click here](#)
- New Brunswick: [click here](#)
- Nova Scotia: [click here](#)
- Prince Edward Island: [click here](#)
- Newfoundland and Labrador: [click here](#)
- Nunavut: [click here](#)
- Yukon: [click here](#)
- Northwest Territories: [click here](#)