



Summary of Funding Programs available to NB REALTORS®

This document has been prepared for the convenience of members of the New Brunswick Real Estate Association and should not be considered as exhaustive. The information was based on public disclosure by the Government of Canada and the Government of New Brunswick as of April 9th, 2020. Both Federal and Provincial programs continue to evolve, and we caution REALTORS® that the information presented here is subject to change at any time. We encourage REALTORS® to conduct their own additional research and obtain necessary advice to ensure they have access to most up-to-date information.

The Federal and Provincial governments have both announced financial assistance measures to assist those who have lost their source of income. Many REALTORS® are unique in that they are self-employed individuals with commission as income, and how you qualify for the benefits of government programs may not always be evident.

The Canadian Real Estate Association (CREA) has been speaking to the federal government about the protections and relief required for REALTORS® because of the unique nature of their business. The federal government has announced several programs, including the Canada Emergency Response Benefit (CERB) and the Canada Emergency Wage Subsidy (CEWS) which are the two most relevant federal programs for REALTORS®. There are additional programs and resources which may be relevant to REALTORS®, some of which are listed below. Each Member has their own unique set of circumstances during this challenging time. This dispatch is intended to help with an action list. We strongly encourage REALTORS® who are considering applying for any provincial or federal benefit program to first reach out to their own tax, accounting and/or legal advisors for advice, clarification or assistance.

For a complete listing of all federal measures in the government of Canada's Economic Response Plan, please visit the following:

<https://www.canada.ca/en/department-finance/economic-response-plan.html#business>

These are the federal measures most likely to be available to REALTORS®.

Canada Emergency Wage Subsidy (CEWS)

CEWS is available to organizations considered "eligible employers". This includes:

- taxable corporations;
- individuals (sole proprietorships);
- partnerships;
- non-profit organizations; and
- registered charities.





Municipalities, local governments, crown corporations, public universities colleges, schools and hospitals would not qualify.

IMPORTANT: CEWS benefits will be taxable income to the employer.

To be eligible the applying organization must be experiencing a decrease in revenues during an “eligible period” caused by COVID-19 pandemic. While the original criteria stipulated a 30% revenue decrease to qualify, an amendment announced April 8th changed the eligibility requirement to a 15% decline in revenue in March 2020 specifically. This was to take into consideration those entities that felt the business effects of the COVID-19 pandemic only in the last half of the month. The 30% decline in revenue requirement remains for the months of April and May. The government also added that the revenue decline could be calculated using an average from January or February as the comparative period, rather than March of 2019.

Claiming period	30% Revenue Decrease between April to May (15% for March)
March 15 to April 11	March 2019 and March 2020
April 12 to May 9	April 2019 and April 2020
May 10 to June 6	May 2019 and May 2020

Revenue must be from arm’s length (third party) sources.

Revenues would be calculated using the employer’s normal accounting method and would exclude extraordinary items and items such as gain on sale of a capital asset.

If an employee is receiving the Canada Emergency Response Benefit, they will need to wait until their four-week pay period is complete to be eligible for the wage subsidy.

Generally speaking, the maximum available is \$847 per week per employee up to \$10,164 per employee over the entire claiming periods combined. Employers eligible for the CEWS may also be eligible to receive a 100% refund for certain employer contributions to Employment Insurance, the Canada Pension Plan, the Quebec Pension Plan, and the Quebec Parental Insurance Plan paid in respect of employees who are on leave with pay.

The amount of the subsidy is based on the remuneration paid in each of the claiming periods noted above.

The formula to determine the amount of the subsidy is calculated as the greater of:

- 75% of the amount of remuneration paid, up to a maximum \$847 per week and;
- The lesser of:
 - ✓ The amount of remuneration paid, up to a maximum benefit of \$847 per week per employee or
 - ✓ 75% of the employee’s pre-crisis weekly remuneration, whichever is less.





If an employer does not meet revenue eligibility criteria for CEWS, employers may still be eligible for a 10% wage subsidy up to a maximum of \$1,375 per employee. Employers cannot claim both the CEWS and the 10% wage subsidy.

How to apply

If you do not already have an account, it is recommended that employers set up a My Business Account on the CRA website as soon as possible. Employers should also sign up for direct deposit with CRA.

- Eligible employers are first required to pay their employees.
- After employees are paid, the employer can apply for the CEWS through the CRA's My Business Account portal, which will be set up for this purpose in the near future.
- Employers are required to keep records of remuneration paid to employees and any arm's length or third-party revenues.
- Employers may be asked to attest that they are doing everything they can to pay the other 25% of the employees' wages. No details on how this confirmation will work is currently known, although it may be a part of the application process.
- Eligible employers are required to apply each month.

There may be serious consequences if employers (in case of CEWS) take unfair advantage of the programs and do not use them as they were intended. These will only be clarified when the government publishes the regulations for the program, however they could include repayment of funds, fines and imprisonment (in cases of fraud).

Canada Emergency Response Benefit (CERB)

The CERB provides up to \$500 a week for up to 16 weeks for a maximum benefit of \$8,000.

The CERB funding is available from March 15, 2020 to October 3, 2020.

IMPORTANT: CERB will be considered taxable income for the individual and must be reported on their personal income tax return for 2020.

To be eligible, applicants must meet all of the following criteria:

- Must be residing in Canada and be at least 15 years old.
- The individual must have stopped working because of COVID-19 and have not voluntarily quit their job and are not eligible for regular EI or sickness benefits.
- The individual must have stopped working because of one of the following:
 - ✓ The individual is sick, quarantined or taking care of someone who is.
 - ✓ The individual is a parent and must stay home without pay to care for children.
 - ✓ The individual is still employed but is not being paid.





- ✓ The individual is a wage-earner, salary-earner, contract worker or self-employed individual who would not otherwise be eligible for EI and who has lost their income because of COVID-19.
- Had income of at least \$5,000 in 2019 or in the 12 months prior to the date of their application.
- The individual is expected to be without employment or self-employment income for at least 14 consecutive days in the applicant's initial four-week period. For subsequent benefit periods, the individual is expected to have no employment or self-employment income.
- You can apply for benefits in any four of the seven periods and applications do not need to be consecutive.
- If you receive income such as commission cheques intermittently between March and September, you may be disqualified for one of the seven eligibility periods.
- If you file for a subsequent period after having returned to work between periods, you must once again receive no income for any stretch of 14 days to be eligible. The date in which you receive income (or commission cheque) is when it is counted as income.
- The 4-week eligibility periods are as follows:

<u>4-week period cycle</u>	<u>Period dates</u>
1	March 15 , 2020 – April 11, 2020
2	April 12, 2020 – May 9, 2020
3	May 10, 2020 – June 6, 2020
4	June 7, 2020 – July 4, 2020
5	July 5, 2020 - August 1, 2020
6	August 2, 2020 – August 29, 2020
7	August 30, 2020 – September 26, 2020

How to apply

To begin the online application process, please visit:

<https://www.canada.ca/en/services/benefits/ei/cerb-application.html>

Some individuals will be directed to apply through the Canada Revenue Agency website, and others will be directed to apply through Service Canada and the Employment Insurance program depending on their specific circumstances.

If the individual is not able to apply online, they can apply over the phone using the automated phone service at 1-800-959-2019 or 1-800-959-2041. This service is available 21 hours a day 7 days a week.

As soon as possible, it is recommended that the person applying set up a My Account on the CRA website. The individual should also consider signing up for direct deposit with CRA to speed up receipt of benefits once they are approved.





There are windows set up for when applications may be completed based on the month of birth of the person applying:

If the applicant was born in	Apply for CERB on
January, February or March	Mondays
April, May or June	Tuesdays
July, August or September	Wednesdays
October, November or December	Thursdays
Any month	Fridays, Saturdays and Sundays

There may be serious consequences if individuals take unfair advantage of the programs and do not use them as they were intended. It is not clear what these consequences could be however they could include repayment of funds, fines and imprisonment (in cases of fraud).

For those who may not qualify, on April 6th, Justin Trudeau announced that new measures will be coming for those who are still working and earning an income but are working reduced hours or earning significantly reduced income. This will be of interest to REALTORS®.

Canada Emergency Business Account (CEBA)

The new Canada Emergency Business Account will provide qualifying business customers with access to a \$40,000 line of credit. Terms will include the following:

- 0% interest rate until December 31, 2022.
- No minimum monthly principal payments until December 31, 2022.
- Principal payments can be made at any time.
- \$10,000 loan forgiveness is available provided outstanding balance is fully paid on or before December 31, 2022.

To qualify, these employers must demonstrate they paid a total payroll of \$50,000 to \$1 million in 2019.

This program will roll out in mid-April and interested businesses should work with their current financial institution. Each financial institution will have their own method of rolling out this program.

Other Federal Measures

In addition to financial assistance, federal deadlines for filing personal income tax returns, corporate tax returns, partnership returns, trust returns and sales tax returns have been extended. For more information on these revised deadlines please see

<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-filing-payment-dates.html>





New Brunswick Provincial Support Programs

The province has developed other measures to support business in addition to the NB Workers Emergency Benefit noted below. These other business support measures can be reviewed at

https://www2.qnb.ca/content/qnb/en/gateways/for_business/covid19.html

NB Workers Emergency Benefit

The intention of this program is NOT to supplement the current income of the applicant, but rather be a source of income for those who have lost all sources of employment income or all revenues through self-employment income. The \$900 is also meant to help bridge the time when eligible NB individuals lose their income and when they can begin receiving federal benefits.

To be eligible, applicants:

- Cannot currently be receiving employment insurance, social assistance, OAS, a private/provincial/federal pension, or another income due to temporary loss of employment unrelated to COVID-19.
- Must be able to certify the following:
 - ✓ They been laid off on or after March 15th due to the state of emergency in New Brunswick OR they are self-employed and have lost all revenues through self-employment on or after March 15th due to the state of emergency in New Brunswick;
 - ✓ They have earned a minimum of \$5,000 (gross) earnings in the last 12 months or in the last calendar year. *The income of at least \$5,000 may be from any or a combination of the following sources: employment (wages and benefits); self-employment; Employment Insurance including maternity and parental benefits;
 - ✓ They have lost their primary source of income
 - ✓ They have applied (or plan to apply) for support through the Federal government (either Employment Insurance or the Canada Emergency Response Benefit);
 - ✓ They have no other income;
 - ✓ They are a resident of New Brunswick;
 - ✓ They are 18 years of age or older.

Complete a registration form online here:

https://www2.qnb.ca/content/qnb/en/departments/post-secondary_education_training_and_labour/promo/nbweib.html

Other Provincial Measures



April 15, 2020



The province may provide working capital loans through the **NB Small Business Emergency Working Capital Program** to support small businesses facing challenges as a result of

COVID-19. Loans will be up to \$100,000. This program is accessible to small businesses employing 1 to 49 people, including sole-proprietors/self employed with sales of less than \$10 million in the most recent fiscal year. The loans are funded by the Government of New Brunswick and are administered by the Community Business Development Corporation (CBDC). Applications can be completed online at <https://www.cbdc.ca/en/gnb-small-business-emergency-working-capital-program>

The province is also making available working capital loans to businesses in excess of \$100,000 up to \$1,000,000 in sectors such as manufacturing and processing, information technology, and related sectors, business to business service sectors engaged in export or import replacement activities and cultural enterprises. More information regarding how to apply can be found at <https://onbcanda.ca/covid19-working-capital-loans-new-brunswick/>

The province is also reviewing waiving late payment penalties on property taxes paid after May 31 on a case-by-case basis due to undue financial challenges such as having to close a business due to COVID-19.

