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From: CLRInfo
Sent: April 14, 2020 9:23 AM
To: Ken McCormack
Cc: Paul Strangway; Joleen Kaminski
Subject: COVID 19 UPDATE: April 14

Importance: High

CLR Members,

Despite the limiting restrictions we all face with the COVID-19 pandemic, I hope that all of you followed the Provincial Health Officer (PHO) Guidelines for social distancing and self-isolation but were able to enjoy at least some part of the Easter long weekend.

This is the start of the 6th week into the COVID-19 pandemic and as always, the CLR will continue to send our communiques in an effort to keep you up to date on any developments related to the pandemic. In his address this morning the Prime Minister made clear when asked if there was an end in sight, that we are still weeks (or longer) away from the lifting of restrictions on people and businesses.

As of this morning, there are now 26,146 confirmed cases of COVID-19 in Canada. Of these, 7,945 people have recovered and 823 have passed away. In total, 451,023 individuals have been tested.

In terms of new announcements, the Prime Minister announced \$130 million to assist northern communities in meeting their needs during this pandemic. Food and medical supplies are most in need. Businesses in the north will also get support beyond the programs already announced. For those sectors most in need (no mention of what those sectors are), the Canada Emergency Business Account will be available as well as new supports on commercial rent for businesses that are especially hard hit. PM Trudeau says he will announce more on these programs soon. There also seems to be concerns about the government's ability to ensure a safe and readily available food supply and to address this, the PM announced that the Canada Food Inspection Agency will receive additional funding in order to hire and train additional inspectors.

Canada Emergency Wage Subsidy (CEWS)

The PM announced that this weekend, Parliament was brought back to approve the Canada Emergency Wage Subsidy (CEWS) and the Prime Minister committed that the government will facilitate getting funds to Canadians as quickly as possible. The proposed CEWS would apply at a rate of 75% of the first \$58,700 earned by employees – representing a benefit of up to \$847 per week, per employee. The program would be in place for a 12-week period, retroactive to March 15 and continuing to June 6, 2020. An eligible employer's entitlement to this wage subsidy would be based on the salary or wages actually paid to employees. All employers would be expected to at least make best efforts to bring employees' wages to their pre-crisis levels. Bill C-14 introduced today includes proposed improvements to the Canada Emergency Wage Subsidy that were announced in detail on April 8, 2020 and subsequently refined as part of the legislative process. These improvements include the following:

- To measure their revenue loss, it is proposed that employers compare their revenue of March, April and May 2020 to that of the same month of 2019 or, in order to provide added flexibility, to an average of their revenue earned in January and February 2020.
- For March, the government proposes to make the CEWS more accessible than originally announced by reducing this 30% benchmark to 15%, in recognition of the fact that many businesses did not begin to be affected by the crisis until partway through the month.

- To provide certainty for employers, the government is also proposing that once an employer is found eligible for a specific period, they would automatically qualify for the next period of the program. For example, an employer with a revenue drop of more than 15% in March would qualify for the first and second periods of the program, covering remuneration paid between March 15 and May 9. Similarly, an employer with a revenue drop of 30% in April would qualify for the second and third periods of the program, covering remuneration paid between May 10 to June 6.
- To recognize the challenges in measuring revenues of non-profit organizations and registered charities, it is proposed that they be allowed to choose whether or not to include government assistance in revenues for the purpose of applying the revenue decline test. Once chosen, the same approach would have to be maintained by the organization throughout the program period.
- It is also proposed that employers be allowed to measure revenues either on the basis of accrual accounting (as they are earned) or cash accounting (as they are received). Once chosen, the same accounting method would have to be used by the employer throughout the program period.
- It is also proposed that the CEWS provide an additional amount to compensate employers for their contributions to the Canada Pension Plan, Employment Insurance, Quebec Pension Plan and Quebec Parental Insurance Plan paid in respect of eligible employees who are on leave with pay due to COVID-19.

There are strong warnings though to businesses that take advantage of the program. In order to maintain the integrity of the program and to ensure that it helps Canadians keep their jobs, the employer would be required to repay amounts paid under the CEWS if they do not meet the eligibility requirements. The government is also proposing a penalty of 25% of the CEWS received by an employer if the employer has engaged in transactions that artificially reduce the employer's revenue in order to qualify for the subsidy. As well, under existing provisions of the *Income Tax Act*, persons making, or participating in making, a false or deceptive statement could be prosecuted with a summary or indictable offence. Anyone found guilty could be sentenced to prison for up to 5 years.

Construction Industry Rehabilitation Plan (CIRP) – Mental Health Assistance

Vicky Waldron (executive Director – CIRP) asked that the CLR send this to our members.:

As we are all acutely aware, the spread of the novel coronavirus (COVID-19) has been the dominating news topic of 2020 so far, as the rates of infection continue to rise, for many there has been a significant decline in mental health. Anxiety and stress is nothing new for many of us, however this is now further compounded with the added stress of this pandemic. This has left many feeling as though they are struggling to cope. Now more than ever, it is important to have somewhere to turn to for support, to be able to lean on. It is with this in mind that Construction Industry Rehabilitation Plan (CIRP) is happy to announce that we are providing an initial series of FREE 30-minute webinars for our members and contractors within BCBTs & CLRA. The webinars allow CIRP to present content along with guest speakers, and to interact 'live' with the audience. We have tried to time these webinars with people's break times in mind, as we recognize that asking the industry to find time in busy schedules could be prohibitive.

So grab a coffee, grab a sandwich, grab your phone or laptop and join us! Register at CIRP Facebook page (<https://www.facebook.com/events/653663505201198/>) or call CIRP on 1-888-521-8611 or 1-604-521-8611. We'll see you there!

Please continue to stay safe and ensure your job sites are following the Provincial Health Officer's Guidelines.

Sincerely,

Ken McCormack | President & CEO

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