

## COVID-19 HR RELATED FAQ's – FEDERAL

Updated August 7, 2020

*Please note – as this is an evolving situation, we will endeavour to update information as it becomes available from verifiable sources*

### **Q: How can I avoid laying off my Employees during this difficult time?**

**A:** Government of Canada is proposing a multi-tiered Economic Response Plan (ERP):

#### **Temporary Wage Subsidies**

The **Canada Emergency Wage Subsidy (CEWS)** is a cash subsidy paid by the Canadian government to qualifying organizations. The CEWS program has been extended until August 29, 2020 however proposed changes were announced to extend the CEWS program until December 19, 2020, including redesigned program details until November 21, 2020.

For those Employers that don't qualify for the CEWS or would like to combine it with the originally enacted **10% Temporary Wage Subsidy (TWS)**, this program is still available. The TWS is a three-month measure that will allow eligible Employers to reduce the amount of payroll deductions required to be remitted to the Canada Revenue Agency (CRA). It is equal to 10% of remuneration paid from March 18<sup>th</sup> to June 19<sup>th</sup> up to a maximum subsidy of \$1,375 per Employee and \$25,000 per Employer. Businesses will be able to benefit immediately from this support by reducing their remittances of income tax withheld on their Employees' remuneration. Employers benefiting from this measure will include corporations eligible for the small business deduction, as well as non-profit organizations and charities.

Please visit the following link for more information:

<https://www.canada.ca/en/department-finance/news/2020/07/supporting-canadian-workers-and-businesses-with-a-redesigned-canada-emergency-wage-subsidy.html>

<https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-frequently-asked-questions.html>

<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>

#### **Work Sharing Program**

Employers can look at reducing hours for Employees to help with cashflow restraints. Under the new **EI Work sharing (WS) program**, Employees who agree to reduce their normal working hours, as a result of COVID-19 related developments beyond the control of their Employers, can access EI benefits while working fewer hours with their Employer for up to 76 weeks. The program now

has easier eligibility requirements and has streamlined the application process. A WS unit must reduce its hours of work by at least 10% (one half day) to a maximum of 60% (three days). The reduction of hours can vary from week to week, as long as the average reduction over the course of the agreement is from 10% to 60%. Individual Employees in the same job description cannot volunteer to participate in WS while others decline to participate and continue to work normal hours. The proposed reduction in work hours should correspond with the number of anticipated temporary layoffs. For example, if an Employer submits a request for a 40% reduction in the hours of work, the Employer must indicate there is a need to layoff approximately 40% of the workforce.

For more information visit this link:

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

<https://www.canada.ca/en/employment-social-development/services/work-sharing/guide-applicant.html#hb3>

<https://www.canada.ca/en/employment-social-development/services/work-sharing/notice-covid-19.html>

### **Q: What is the CERB and should I encourage my laid-off staff to apply?**

**A:** The CERB will provide EI-like benefits will provide \$2,000 a month for up to 24 weeks (increased from 16 weeks) for workers who lose their income as a result of the COVID-19 pandemic. The benefit is available for the period from March 15, 2020 to October 3, 2020. You should encourage your laid off workers to apply if, as outlined on Canada.ca, they meet the following criteria:

- Are residing in Canada, who are at least 15 years old
- Have exhausted their Employment Insurance regular benefits or Employment Insurance fishing benefits between December 29, 2019 and October 3, 2020
- Have stopped working because of COVID-19 or are eligible for EI regular or sickness benefits
- Had income of at least \$5,000 in 2019 or in the 12 months prior to the date of their application
- Are or expect to be without employment or self-employment income for at least 14 consecutive days in the initial four-week period. For subsequent benefit periods, they expect to have no employment or self-employment income

For more information and to apply, visit:

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

Additional wage subsidies will also be made available through a new transfer to cost-share a temporary top-up to those Employers employing low-income workers earning less than

\$2,500/month and working in certain industries or sectors including front-line in hospitals and nursing homes; those ensuring the integrity of the food supply; or, individuals providing essential retail services to Canadians.

For more information visit:

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

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

### **Q: I need to fill out ROE forms for my staff for differing COVID-19 reasons. What codes do I use?**

**A:** Firstly, **Employers need to ensure clarity of what COVID-19 related reason the Employee is no longer working** before selecting a code: **not every situation will be the same**. Use the following codes in each situation:

- Code D (Illness or injury): The Employee is sick or quarantined: **do not add comments**.
- Code A (Shortage of work): The Employee is no longer working due to a shortage of work because the business has closed or decreased operations stemming from COVID-19: **do not add comments**.
- Code E (Quit) or Code N (Leave of absence): When the Employee refuses to come to work but is not sick or quarantined: **avoid adding comments** unless absolutely necessary to avoid delaying the processing of the claim.

For more information visit:

<https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/ei-roe/notice-covid-19.html>

Salopek & Associates are currently working with clients on drafting messages to staff around COVID-19 that is specific to their business and workplace. Policies are being reviewed with respect to Sick Time, Paid Time Off, Leaves of Absence and Working from Home. Questions are being asked about Business Emergency Response Plans. Salopek is available on an On-Call basis to answer your questions. Give us a call!

### **Salopek & Associates**

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