

COVID-19 HELP FOR SMALL BUSINESS

Canada Emergency Business Account

The new Canada Emergency Business Account will provide interest-free loans of up to \$40,000 to small businesses, to help cover their operating costs during a period where their revenues have been temporarily reduced.

To qualify, your company will need to demonstrate they paid between \$50,000 to \$1 million in total payroll in 2019.

If this loan is paid back by December 31, 2022 then 25% of the loan up to \$10,000 becomes forgivable.

This last point should push everyone to apply for this loan. A company can keep these funds in a separate account to be used for emergency purposes. If they feel they don't need it they can pay it back and keep up to \$10,000. It is clear from the mechanics of this loan that the government is trying to offset all the other costs we have incurred since this slow down began.

Increase in Employer Health Tax Exemption for Ontario Companies

For our customers in Ontario, the Ontario Government has more than doubled the exemption on EHT payroll. The original enactment stated that an employer with total annual Ontario remuneration of less than \$5 million is eligible for an Employer Health Tax exemption on up to \$490,000 of 2020 payroll. Because of COVID, this exemption will increase to \$1,000,000. At 1.95% of \$510,000, that is a savings of \$9,945. Every bit helps.