

Turnover & Government Income Relief in the Modern Workplace

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Presentation Roadmap

- 1) How to hire, layoff or fire remote workers
- 2) How to pivot your workforce in a business crisis
- 3) Government income relief options in the COVID-19 era (as of April 15, 2020)



1) How to hire, layoff or fire remote

Hiring Remotely

- A good time for video
- Get a second opinion
- Interview more than once
- Set up so that documents can be signed virtually or remotely
- **DON'T FORGET THE PAPERWORK**

Terminating or Laying Off Remote Workers

- Don't forget the personal touch
- The phone is your friend
- Prepare your documents ahead of time and follow up your phone or video call with an email with details



2) How to pivot in a business crisis

How to Rightsize Your Workforce

- Turnover is normal in our modern workforce, regardless of COVID
- What will your world look like in 3, 6, 9, 12 months? Build *that* team
- The business crisis is also an opportunity to really refresh and reinvent your systems

Pivoting Your Workforce During COVID-19

- Arm yourself with the information and resources you need to be flexible
- Lots of good, free info on internet
- SpringLaw's Pivot DIY
 - Figure out what to do
 - Terminate? Lay off?
 - Salary Reductions?



Pivoting Your Workforce During COVID-19

- **Self-serve option to rightsize your workforce**
- **Includes:**
 - **Templates**
 - **Guides, scripts, checklists**
 - **Resource to give to employees for their own pivot**
- **www.springlaw.ca/product/pivot-diy/**

Pivoting Your Workforce During COVID-19 cont.

- **Issue Spotting:**
 - **The employer's ability to make changes**
 - **Risks of Constructive Dismissal**
 - **Manage the risk**
 - **Minimize the impacts**

3) How to get external funding relief

(update as of Apr 15, 2020)

Government Income Relief Checklist

- Canada Emergency Response Benefit (CERB)
- Canada Emergency Wage Subsidy (CEWS)
- Temporary 10% Wage Subsidy
- Extended Work-Share program
- Deferred tax payments
- Canada Emergency Business Account (40K loan)

Government Income Relief

- **Support for workers (for their own pivots)**
 - **Canada Emergency Response Benefit (CERB)**
 - **\$2,000 every 4 weeks for up to 16 weeks**
 - **Applications available as of April 6, 2020 and until December 2, 2020**
 - **Covers the period March 15, 2020 - October 3, 2020**

Government Income Relief cont.

- **CERB Eligibility**

- Residing in Canada
- At least 15 years old
- Stopped working because of COVID-19
- Income of at least \$5000 in 2019, or in the 12 months prior to application date
- Without income for at least 14 days in initial period and expect to have no income thereafter

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

NOT available to those who have quit voluntarily

Government Income Relief cont.

- **Support for Businesses**
 - **Canada Emergency Wage Subsidy (CEWS)**
 - 75% wage subsidy
 - For up to 12 weeks - March 15 - June 6
 - Retroactive to March 15, 2020
 - For any employee, including new employees, other than those who have not been paid for 14 weeks in the eligible period

Government Income Relief cont.

CEWS

- 75% of Employee remuneration up to maximum amount of \$847 per week
- Expectation is to pay the employee 100% of their pay - with 75% coming from subsidy
- Based on employee's average pay between January 1 and March 15, 2020

Government Income Relief cont.

CEWS

- **Eligible employers**
 - **Taxable corporation**
 - **Individual**
 - **Partnership**
 - **Non-profit organization**
 - **Registered charity**

Government Income Relief cont.

CEWS

Eligibility Criteria

- Reduction in revenue of 15% - March 15 - April 11
- Reduction in revenue of 30% - April 12 - June 6

Reduction in revenues as compared to the March, April or May of 2019 or as compared for the average revenues in January and February, 2020

Apply through CRA *My Business Account Portal* - record of employee remuneration and revenue reduction required

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

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Government Income Relief cont.

CEWS example

Maude and Stéphane own a corporation that operates an automobile repair shop in Saint Boniface, Manitoba. They are working full time, each drawing a salary of \$1,300 per week, and have three part-time employees, each earning \$800 per week, for a total weekly payroll of \$5,000. Maude and Stéphane have reduced their opening hours due to decreased demand for their services. They had initially laid off their employees, but they have now decided to re-hire them following the announcement of the Canada Emergency Wage Subsidy. Their employees are not being asked to report to work during this challenging period.

Maude and Stéphane are now keeping their employees on the payroll, paying them 75% of their pre-crisis salary (\$600 per week). Maude and Stéphane would be eligible for a weekly wage subsidy of \$3,494 (\$847 for each of themselves and \$600 for each of their employees). Maude and Stéphane would also be eligible for a 100-percent refund of their employer-paid contributions to Employment Insurance and the Canada Pension Plan in respect of their employees, providing an additional benefit of up to \$124 per week.

Other Employer Government Benefits

- **Temporary 10% Wage Subsidy**
 - Three month measure
 - **Reduction in payroll deductions to the CRA**
 - <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>
- **Extended Work-Share program**
 - **For 76 weeks**
 - <https://www.canada.ca/en/employment-social-development/corporate/notices/coronavirus.html#h4.04>

Other Employer Government Benefits cont.

- **Deferred payments**
 - **More time to pay income taxes - until August 31, 2020**
 - <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/covid-19-filing-payment-dates.html>
 - **More time to pay HST & GST - until June 30, 2020**
 - <https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-gst-hst.html>
- **Access to credit**
 - **Canada Emergency Business Account**
 - Interest-free loan of up to \$40,000
 - If the loan is repaid by December 31, 2022, 25% (up to \$10,000) will be forgiven
 - Small business - payroll between \$50,000 - \$1 million
 - <https://www.canada.ca/en/department-finance/programs/financial-sector-policy/business-credit-availability-program.html#a1>

MORE info on everything: <https://www.canada.ca/en/department-finance/economic-response-plan.html#businesses>

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Big Picture Employer Help

- Information overload and lots to process every day
- Talk to your accountant, lawyers, business advisors
- Access everything can, but beware of any abuse of the system
 - Government approach is to get money pumped into economy asap (so not hard to get if you qualify)
 - Will issue tough penalties if people don't use money as intended
- Keep an eye on updates - freelancers, self-employed and small businesses with less than 50K payroll still need help



Takeaways

- Pivot your workplace, build your future team
- Understand your entitlements
 - Lots of help available from the government
- CERB for employees, gig workers and the self-employed
- Stay tuned for updates - CERB and the CEWS will likely change and expand

Questions?

To learn more about our team: <https://springlaw.ca/team/>

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