

Additional Support for SMEs: New EI Work Sharing Program

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As the coronavirus Pandemic spreads in Canada, employers who face reduced revenues can try to avoid layoffs with the 75% Wage Subsidy Program. A second line of defense is a new EI Work-Sharing (WS) Program. Previously available only in the forestry, steel and aluminum business, there is now no restriction to a particular industry. **[Here's a checklist of information for bookkeepers, tax and financial advisors to share with small business clients.](#)**

OVERVIEW EI WORK SHARING PROGRAM

- **Effective date of program:** March 15, 2020 to March 14, 2021
- **Purpose:** The purpose of the program is to avoid layoffs in the case of a temporary decrease in business activity that is beyond the control of the employer. The COVID-19 pandemic is a perfect example.
- **Three-way agreement:** The government of Canada, the employer and the employee agree to reduced normal working hours and to share available work while their employer recovers from the crisis, allowing the employer to retain qualified staff and avoid recruiting and retraining new employees. The agreement identifies a WS Unit, which is a group of employees with similar job duties who agree to reduce their hours over a specific period of time. All member of the WS agreement must agree to reduce hours by the same percentage and share the work.
- **Expected work reduction:** Must be at least 10% to 60% on average over the course of the agreement and the agreement must be at least 6 consecutive months long.

- **Length of agreement.** It can last up to 76 weeks, which is an extension from the previous 38 weeks available.
- **EI Benefits:** Eligible employees can collect EI benefits if they agree.
- **Cooling Off Period Waived.** Employers who have already used the program may enter into a new one as the cooling off period has been waived.
- **Age of Business.** In the past eligible employers had to be in business at least 2 years; that has now been reduced to 1 year and the burden of providing sales/production figures has been eliminated.

Employer Eligibility. Eligible employers must:

- Have at least 2 employees in the WS unit
- Be a year-round business which has been operating at least 1 year
- Be a privately held business, a publicly held company or a non-profit organization

Ineligible employers include businesses that experience a reduction in business because of a seasonal shortage of work, a pre-existing and/or recurring production slowdown, a decrease in business activity due to a recent increase in the size of workforce or a labor dispute.



Employee Eligibility. Eligible employees must be:

- Year-round, full-time or part-time people that carry out the day-to-day functions of the business as members of the core staff in the company.
- Be eligible to receive EI benefits and agree to reduce their normal working hours by the same percentage and share available work.

Ineligible employees include casual on-call employees, seasonal employees, summer students, those hired on a co-op term or those hired through a temporary help agency. In addition, employees who are needed to help generate work and/or who are essential to the recovery of the business will not qualify. **This will include:**

- Senior management
- Executive-level marketing or sales agents
- Outside sales representatives
- Technical employees engaged in product development
- Employees who hold more than 40% of the voting shares in the business

The application process: According to the newly revised federal government site, employers must submit their applications for the program to Services Canada 10 calendar days prior to the requested start date. This is revised downward from the previous requirement to submit 30 days prior. The department will attempt to reduce processing time to 10 calendar days.

Information. Service Canada has created an enquiry unit for clients affected by COVID-19. Work-Sharing Program enquiries can be sent to EDSC.DGOP.TP.REP-RES.WS.POB.ESDC@servicecanada.gc.ca. Here's how to apply:

1. Submit Form
(EMP5100):<https://catalogue.servicecanada.gc.ca/content/EFForms/en/Detail.html?Form=EMP5100>
- [Attachment A: Work-Sharing Unit form \(EMP5101\)](#)

Then forward the application, based on the area your business is located:

Western Canada and Territories

Email: EDSC.WT.WS-TP.ESDC@servicecanada.gc.ca

Ontario Email: ESDC.ON.WS-TP.ON.ESDC@servicecanada.gc.ca

Atlantic Provinces Email: ESDC.TP-ATL-WA-TP.ESDC@servicecanada.gc.ca

Quebec Email: QC-DPMTDS-LMSDPB-TP-WA-GD@servicecanada.gc.ca

Employers from across Canada and the US may call toll-free as follows: 1-800-367-5693

TTY : 1-855-881-9874 from 7:00 am to 8:00 pm ET, Monday to Friday.

EXTENDED DATES

**Filing date for 2019
tax year**

June 15, 2020 unchanged

September 1, 2020 extended

**Payment date for
2019 tax year**

Includes the June 15, 2020, instalment payment for those who have to pay by instalments.

Corporations – Due dates

**Filing date for
current tax year**

June 1, 2020 extended

Applies to corporations that would otherwise have a filing due date after March 18 and before June 1, 2020.

Payment date for current tax year **September 1, 2020** extended
Applies to balances and instalments under Part 1 of the Income Tax Act due on or after March, 18 and before September 1, 2020.

GST/HST Remittance Requirements

Postponed

There's more good news for small business owners affected by the pandemic. On March 27, the federal government announced that it's deferring payments of all GST/HST remittances until June 30, 2020. Here are the details:

Make net GST/HST remittances on June 30, 2020 based on the following collection periods:

- Monthly filers: Net GST/HST collections for February, March, April
- Quarterly filers: Net GST/HST collections for January 1 – March 31, 2020
- Annual filers: Net GST/HST collections for all prior year sales, due June 30, 2020

GST/HST remittances are adjusted in the positive for items like collections on bad debts or in the negative for input tax credits. The net tax reduced by any instalments paid or GST/HST rebates is then remitted if there is a balance due.