



Wealth
Management

the Navigator

INVESTMENT, TAX AND LIFESTYLE PERSPECTIVES FROM RBC WEALTH MANAGEMENT SERVICES

A guide to financial support measures to help Canadians impacted by COVID-19

Please contact us for more information about the topics discussed in this article.

The Government of Canada and financial institutions, including RBC, are working together to offer financial support programs for Canadians. RBC remains committed to keeping you informed about initiatives to support you during this time. This guide is a summary of a number of economic relief measures that have been announced to-date to support individuals and businesses. The information in this guide is current as of April 30, 2020.

CONTENTS

Support for individuals

- RBC Client Relief Program
- Canada Emergency Response Benefit (CERB)
- Employment Insurance (EI)
- Minimum registered retirement income fund (RRIF) withdrawals
- Goods and Services Tax Credit (GSTC)
- Canada Child Benefit (CCB)
- Canada Emergency Student Benefit (CESB)
- Canada Student Service Grant (CSSG)
- Canada Student Loans Program
- Indigenous Community Support Fund and additional health care funding
- Temporary salary top-up for low-income essential workers

Support for businesses

- RBC Client Relief Program
- Canada Emergency Wage Subsidy (CEWS)
- 10% Temporary Wage Subsidy
- Canada Emergency Business Account (CEBA)
- Canada Emergency Commercial Rent Assistance (CECRA)
- Export Development Canada (EDC) Business Credit Availability Program (BCAP) Guarantee
- Business Development Bank of Canada (BDC) Co-Lending Program
- BDC Working Capital Loan
- Work-Sharing program
- Farm Credit Canada (FCC) Increased Credit
- Innovation Assistance Program (IAP)
- Canada Summer Jobs (CSJ) 2020 Program
- Relief for federally regulated pension plan sponsors

In addition to the initiatives summarized in this guide, the Canadian and United States governments have introduced measures to postpone certain tax filings and in some cases, payment deadlines for individuals, corporations, partnerships and trusts. Ask your RBC advisor for our article titled “Tax filing and payment extensions in response to COVID-19” for further details.

Support for individuals

Measure: RBC Client Relief Program	
Benefit	<p>The RBC Client Relief program provides clients impacted by COVID-19 with immediate and long-term relief:</p> <ul style="list-style-type: none"> • Payment Deferrals – for Canadians in need of immediate cash-flow, including up to six month deferral for mortgages, credit cards, installment loans and auto loans. • Hardship Relief – introduced to support personal clients with longer term needs such as those who have experienced a material change in income due to job loss, or illness. Support may include additional relief measures such as reduced credit card interest charges for up to six months for clients receiving credit card minimum payment deferrals, as well as refinancing or credit restructuring depending on your situation.
Who is eligible	Financial relief is available for personal and business clients. Relief for business clients is discussed later in this summary under <i>Support for businesses</i> .
Eligibility criteria	Eligibility is based on the type of relief sought. Some restrictions apply.
How to apply	<p>Easy access to apply for immediate financial relief is available through RBC online banking self-serve tools for the following:</p> <ul style="list-style-type: none"> • For mortgage, personal installment loans and auto loans through the “Skip-a-Payment” link; and • For credit cards through the “Need to defer a minimum payment due to COVID-19” link. <p>For longer term relief, up to six months of payment relief may be accessible through RBC’s Financial Relief Assistance Plan. This option requires the support of one of our advisors; book a call with an advisor through our online booking tool: https://www.rbcroyalbank.com/book-an-appointment/book-an-appointment.html</p> <p>Further details on the RBC Client Relief Program and how to apply can be found at www.rbcroyalbank.com.</p>
Additional information	<p>For Skip-a-Payment requests, there is no fee to skip a payment.</p> <p>Mortgages When you skip a payment, the interest on the skipped payment is added to your outstanding balance and interest is charged on that amount. This means your mortgage/loan balance will increase.</p> <p>Your payments won’t change during the term of your mortgage. Instead, at renewal, your monthly payment amount will increase to account for the higher balance. When you skip a payment you must still pay the portion of your payment that covers your property taxes and <i>HomeProtector</i> Insurance Premium, if applicable.</p> <p>Personal installment and auto loans For auto loan and fixed rate loan products, deferred interest will be added to the outstanding balance but interest will not be charged on deferred interest.</p> <p>For variable rate loans, the deferred interest will be added to the outstanding balance and interest will be charged on this new balance.</p>
Considerations	<p>Using Skip-a-Payment may significantly increase your interest costs over the life of your mortgage / loan, so it’s important to carefully evaluate your financial situation and priorities before exercising this option.</p> <p>Keep in mind, skipping a payment can affect your amortization and payment schedule.</p> <p>For credit cards, if no payments are made during the relief period, your minimum payment may be higher at the end of the relief period. Interest will continue to accrue at your annual interest rates during the relief period. Interest charges will be added to your outstanding balance, along with any transactions, which may cause your outstanding balance to increase during the relief period. Interest is not charged on accrued interest.</p>

Support for individuals

Measure: Canada Emergency Response Benefit (CERB)	
Benefit	<p>The CERB is a taxable benefit that will provide \$500 a week for up to 16 weeks (roughly \$2,000 a month for up to four months). The CERB will be available from March 15, 2020 until October 3, 2020.</p> <p>Benefits will start within 10 days of you submitting an application. There is no waiting period.</p> <p>Payments will be made through direct deposit or by cheque. You will be paid more quickly if you choose direct deposit.</p> <p>Payments will be retroactive to your eligibility date.</p>
Who is eligible	<p>Full-time and part-time employees and self-employed individuals, including contract workers, who must stop working due to COVID-19 and do not have access to paid leave or other income support.</p> <p>Reasons for ceasing work:</p> <ul style="list-style-type: none"> • If you are sick, quarantined or taking care of someone who is sick with COVID-19 • If you are a working parent who must stay home without pay to care for children that are sick or need care because of school and daycare closures. • If you are still employed but are not being paid because your employer has asked you not to come to work due to insufficient business. • If you have been let go from your job. • If you are a seasonal worker who has exhausted your EI regular benefits and are unable to undertake your regular seasonal work. • If you have recently exhausted your EI regular benefits between December 29, 2019 and October 3, 2020 and are unable to find a job or return to work. <p>If you voluntarily quit, you will not be eligible to apply.</p>
Eligibility criteria	<p>In order to qualify for this benefit, you must:</p> <ul style="list-style-type: none"> • Be a resident of Canada and at least 15 years old; • In 2019, or in the 12 month period preceding the application date for the CERB, have an income level of at least \$5,000 from employment or self-employment income, non-eligible dividends, EI or allowance, money or other benefits paid under a provincial plan due to pregnancy or adoption; • Have ceased work for reasons relating to COVID-19 for at least 14 consecutive days within the four week period in respect of which you are applying for payment of the CERB. • If you are applying for the first time, you do not expect to receive more than \$1,000 (before taxes) from employment and self-employment income for at least 14 days in a row during the 4-week payment period. • If you are re-applying for another period, you do not expect to receive more than \$1,000 (before taxes) from employment and self-employment income for at least 14 days in a row during the 4-week payment period.
How to apply	<p>Apply through either Service Canada or the Canada Revenue Agency (CRA), depending on your situation. There is a questionnaire online that will direct you to the appropriate agency that best fits your situation: https://www.canada.ca/en/services/benefits/ei/cerb-application.html</p> <p>Apply online through Service Canada: https://www.canada.ca/en/services/benefits/ei/cerb-application/cerb-privacy-notice.html</p> <p>Apply online with CRA My Account: https://www.canada.ca/en/revenue-agency/services/e-services/e-services-individuals/account-individuals.html</p> <p>Apply over the phone: 1-800-959-2019 or 1-800-959-2041 (bilingual)</p>
Additional information	<p>If you have stopped working because of COVID-19, you should apply for the CERB, whether or not you are eligible for EI.</p> <p>If you became eligible for EI regular or sickness benefits on March 15, 2020 or later, your claim will automatically be processed through the CERB. If you would be entitled to more than \$500 per week under EI you will not get the higher amount; you will receive \$500 per week regardless of what you may have been eligible to receive through EI.</p> <p>If you are already receiving EI regular or sickness benefits, you would continue to receive benefits and should not apply for the CERB.</p> <p>If your EI benefits end before October 3, 2020, you can apply for the CERB once those benefits end if you are unable to return to work due to COVID-19.</p> <p>If you receive the CERB and are eligible for regular EI and EI sickness benefits, you will still be able to access your normal EI benefits if you are still unemployed after the 16 weeks end.</p> <p>For more detailed information on the CERB, please ask your RBC advisor for our article titled, “Canada Emergency Response Benefit”.</p>

continued on next page

Support for individuals

Measure: Canada Emergency Response Benefit (CERB) *(continued)*

Considerations	<p>Although it is a taxable benefit, tax will not be deducted at source. You will be required to report the benefit as income when you file your tax return for the 2020 tax year.</p> <p>Applying for the CERB may impact your employer's ability to claim the Canada Emergency Wage Subsidy (if applicable). The government is considering an approach to limit duplication. A possible solution may be to allow you to cancel your CERB claim and repay the amount if you are rehired by your employer during the same eligibility period.</p>
-----------------------	---

Measure: Employment Insurance (EI)

Benefit	<p>EI provides regular benefits if you lose your job through no fault of your own (for example, due to shortage of work, seasonal or mass lay-offs) and you are available for and able to work, but can't find work. As of January 1, 2020 the maximum EI payment per week is \$573.</p> <p>EI sickness benefits can provide you with up to 15 weeks of financial assistance if you cannot work for medical reasons.</p> <p>Effective March 15, 2020, the government has temporarily waived the one-week waiting period and medical certificate requirement for those who are in quarantine who would otherwise qualify for EI sickness benefits.</p>
Who is eligible	<p>Anyone who has stopped working and had paid into EI.</p> <p>You will need to have accumulated between 420 and 700 hours of insurable employment during the "qualifying period" to be entitled to receive EI regular benefits. The number of hours of insurable employment required is determined when you apply for benefits, depending on the following:</p> <ul style="list-style-type: none"> • your place of residence; and • the unemployment rate for your region.
Eligibility criteria	The government provides guidelines for who is eligible but they encourage you to apply for benefits so that their processing agents can determine if you are eligible.
How to apply	<p>Apply by selecting "Regular benefits" or "Sickness benefits", whichever best applies to your situation.</p> <p>Regular benefits: https://www.canada.ca/en/services/benefits/ei/ei-regular-benefit/apply.html</p> <p>Sickness benefits: https://www.canada.ca/en/services/benefits/ei/ei-sickness/apply.html</p>
Additional information	<p>Apply for EI benefits as soon as you stop working. You can apply for benefits even if you have not yet received your Record of Employment (ROE).</p> <p>If you became eligible for EI regular or sickness benefits on March 15, 2020 or later, your claim will be automatically processed through the CERB.</p> <p>If you have recently applied for EI regular or sickness benefits, you do not need to re-apply. Your application will automatically be assessed to determine if you are eligible for EI or the CERB.</p> <p>If you were eligible for EI before March 15, 2020 or you are applying for EI Maternity, Parental, Fishing, Compassionate care and Family caregiver benefits, you should contact the EI call centre at 1-800-206-7218.</p>
Considerations	<p>If you have stopped working because of COVID-19, you should apply for the CERB, regardless of whether you are eligible for EI.</p> <p>If you delay filing your claim for benefits for more than four weeks after your last day of work, you may lose benefits.</p>

Support for individuals

Measure: Minimum registered retirement income fund (RRIF) withdrawals	
Benefit	The Canadian government has enacted legislation to reduce required RRIF minimum payments by 25% for 2020. In other words, you are only required to withdraw 75% of your unreduced required minimum payment for 2020.
Who is eligible	RRIF holders who must take a minimum payment in 2020. RRIF holders must take a minimum payment each year after the year your RRIF is established. As locked-in plans are subject to the same tax legislation as regular registered plans, the temporary reduction will also apply to life income funds (LIFs), restricted life income funds (RLIFs), locked-in retirement income funds (LRIFs), and prescribed RRIFs.
Eligibility criteria	If you have not yet withdrawn your 2020 RRIF minimum payment, or have withdrawn only a portion of the unreduced payment, you can request the reduced minimum. The legislation currently enacted by the government does not allow for re-contributions of excess withdrawals. If you have already withdrawn more than the reduced 2020 RRIF minimum payment, you will not be permitted to re-contribute any amount back to your RRIF.
How to apply	Contact your RBC advisor to request a reduced minimum payment. Taking your unreduced RRIF minimum payment may be advisable if you are in a low income tax bracket this year. Many segregated fund contracts include guaranteed income for life. A segregated fund held in a RRIF may have a higher contractually guaranteed income level than the unreduced or reduced minimum payment requirement. As such, if you hold a segregated fund in your RRIF and choose to withdraw the reduced RRIF minimum payment, it may have a negative effect on your lifetime guaranteed income. If you hold a segregated fund in your RRIF, speak with your insurance advisor for more information.
Additional information	Ask your RBC advisor for our article titled, "Reduction of RRIF minimum withdrawals for 2020". When taking a payment from your RRIF, the investments in your RRIF may be transferred in-kind directly into a non-registered account in your name. There is no fee if you elect to make an in-kind transfer. Your RRIF investments are not required to mature or to be liquidated prior to transfer to the non-registered account.
Considerations	If you do not need your entire unreduced RRIF minimum payment for your living expenses, consider taking advantage of the reduced minimum amount for this year.

Measure: Goods and Services Tax Credit (GSTC)	
Benefit	The GSTC is a tax-free quarterly payment that helps individuals and families with low and modest incomes offset all or part of the GST or HST that they pay. A one-time additional GSTC payment will be made on April 9, 2020.
Who is eligible	If you normally receive the GST/HST credit and have filed a 2018 tax return, you will get the extra GSTC payment amount automatically. If you were previously not entitled to the GST/HST credit, but have filed your 2018 tax return, you may also get the one-time credit amount based on your family net income.
Eligibility criteria	This benefit is income-tested and eligibility will be based on your 2018 tax return.
How to apply	You do not need to apply for this extra payment. You simply need to file your 2018 tax return. If you are eligible you will receive it automatically. If you didn't file your tax return for 2018, you will not receive this payment. If you file your 2018 tax return late, you may be eligible for retroactive benefits.
Additional information	The amount you receive will be calculated based on information from your 2018 income tax and benefit return. The maximum amounts for the 2019-2020 benefit year will increase from: <ul style="list-style-type: none"> • \$443 to \$886 if you're single • \$580 to \$1,160 if you're married or living common-law • \$153 to \$306 for each child under the age of 19 • \$290 to \$580 for the first eligible child of a single parent.
Considerations	Although you do not have to file your 2019 tax return to receive the increased credit amount, you should file your 2019 tax return to ensure you continue to get your benefits and credits for the July 2020 to June 2021 benefit year.

Support for individuals

Measure: Canada Child Benefit (CCB)

Benefit	The CCB is a tax-free monthly payment made to eligible families to help with the cost of raising children under 18 years of age. A one-time additional payment of \$300 per child for those who qualify for the CCB will be delivered as part of the scheduled CCB payment in May 2020.
Who is eligible	If you normally receive the CCB and have filed your 2018 tax return, you will get the enhanced CCB payment amount automatically.
Eligibility criteria	Eligibility for this benefit will be based on your 2018 tax return.
How to apply	If you already receive the CCB, you do not need to re-apply. If you have not applied for the CCB, you can get information on the application process at the following government link: https://www.canada.ca/en/revenue-agency/services/child-family-benefits/canada-child-benefit-overview/canada-child-benefit-apply.html
Considerations	Although you do not have to file your 2019 tax return to receive the increased benefit amount, you should file your 2019 tax return to ensure you continue to get your benefits and credits for the next benefit year.

Measure: Canada Emergency Student Benefit (CESB)

Benefit	The proposed CESB, will provide support to post-secondary students and new graduates who will experience financial hardship over the summer due to COVID-19. This benefit will provide \$1,250 per month to eligible students or \$2,000 per month to eligible students with dependents or those with permanent disabilities. The benefit would be available from May to August 2020.
Who is eligible	Post-secondary students and recent graduates not eligible for the CERB or for EI, who are unable to find full-time employment or are unable to work due to COVID-19.
Eligibility criteria	More details to follow.
How to apply	The CESB will be delivered by the CRA. More details to follow.
Additional information	The government will introduce legislation to be considered by Parliament.

Measure: Canada Student Service Grant (CSSG)

Benefit	For students who make significant contributions to the COVID-19 efforts by taking part in national service activities, the proposed CSSG will provide up to \$5,000 to support their post-secondary education costs in the fall. The government will be launching the "I Want to Help" platform that will provide information about the available service opportunities and positions for students.
Who is eligible	Students who participate in national service activities who will be attending post-secondary school in the fall.
Eligibility criteria	More details about eligibility will be made available on the "I Want to Help" platform over the coming weeks.
How to apply	More details on how to apply for a national service position will be made available on the "I Want to Help" platform over the coming weeks.
Additional information	More details about the levels of funding available under the grant will be made available on the "I Want to Help" platform over the coming weeks.

Support for individuals

Measure: Canada Student Loans Program	
Benefit	The Government of Canada offers student grants and loans to full-time and part-time students. Effective March 30, 2020, all Canada Student Loan and Canada Apprentice Loan payments are suspended until September 30, 2020 with no accrual of interest.
Who is eligible	All student loan borrowers will automatically have their loan repayments and interest suspended until September 30, 2020.
Eligibility criteria	Anyone who is currently repaying a Canada Student Loan or Canada Apprentice Loan.
How to apply	If you are a student loan borrower, you will automatically have your repayments suspended and do not need to apply for the repayment pause.
Additional information	This deferral applies to the federal portion of student loans. Check with your provincial or territorial student loan provider to see if payment is required on the provincial or territorial portion.

Measure: Indigenous Community Support Fund and additional health care funding	
Benefit	The Canadian government is providing \$305 million for a new distinctions-based Indigenous Community Support Fund to address immediate needs in First Nations, Inuit, and Métis Nation communities. It will also provide \$100 million to support a range of federal health measures, including support for preparedness in First Nation, Inuit and Métis communities.
Additional information	https://www.sac-isc.gc.ca/eng/1584819394157/1584819418553#b

Measure: Temporary salary top-up for low-income essential workers	
Benefit	The Canadian government will work with provinces and territories through a new transfer to cost-share a temporary top up to the salaries of low-income essential workers (those who earn less than \$2,500 per month on a full time basis) that the provinces and territories have deemed essential in the fight against COVID-19.
Additional information	Further details from the government are forthcoming.

Support for businesses

Measure: RBC Client Relief Program	
Benefit	<ul style="list-style-type: none"> • RBC is offering a number of relief solutions for business clients affected by COVID-19. We are assessing the needs of businesses on a case-by-case basis to provide relief solutions that are tailored to their circumstances. Relief support may include: • Business loan payment deferrals. • Increases to operating line of credit limits. • Deferral of minimum payment obligations on credit cards. • Credit card interest relief: Effective April 6, 2020, RBC will reduce credit card interest charges by 50% for personal and small business clients receiving credit card minimum payment deferrals. The 50% relief will automatically apply. • Waived setup fees for new enrollments to cash management solutions. • Waived Stop Payments fee. • Waived ATM mini-statement fee.
Who is eligible	Financial relief is available for personal and business clients. Relief for personal clients is discussed earlier in this summary under <i>Support for individuals</i> .
Eligibility criteria	Eligibility is based on the type of relief sought. Some restrictions apply.
How to apply	<p>If your business is experiencing financial hardship as a result of COVID-19, please contact your business banking advisor or call our Advice Centre at 1-800-ROYAL-20 to discuss your options.</p> <p>Easy access to apply for deferral of your minimum payment obligations on your credit card is available through RBC online banking self-serve tools through the “Need to defer a minimum payment due to COVID-19” link. You can use the available form to request us to temporarily waive the requirement for you to make the minimum payment on your credit cards for up to two months (deferring your payment).</p>
Additional information	Through RBC's partnership with Wello (www.wello.ca) – a leading Canadian virtual healthcare company – we are making it easier for you to provide important COVID-19 screening information, timely access to physicians and nurse practitioners for health advice, and resources to support general health needs, including prescriptions, diagnostic and specialist referrals. Wello can support your employees' physical and mental health needs, wherever they are. If you are an RBC business client, you can access more information on Wello by logging into your RBC Online Banking for Business and navigating to the ‘RBC Offers’ tab.
Considerations	For credit cards, if no payments are made during the relief period, your minimum payment may be higher at the end of the relief period. Interest will continue to accrue at your annual interest rates during the relief period. Interest charges will be added to your outstanding balance, along with any transactions, which may cause your outstanding balance to increase during the relief period. Interest is not charged on accrued interest.

Support for businesses

Measure: Canada Emergency Wage Subsidy (CEWS)	
Benefit	<p>The CEWS is a wage subsidy provided to eligible employers. The subsidy is calculated as 75% of eligible remuneration (such as salary, wages, and commissions) paid to an eligible employee in a week, to a maximum of \$847 per week, for a 12 week period beginning March 15, 2020 to June 6, 2020.</p> <p>There are three four-week periods (claim period) for which an eligible employer may claim the subsidy:</p> <ul style="list-style-type: none"> • March 15 to April 11, 2020; • April 12 to May 9, 2020; and • May 10 to June 6, 2020. <p>The amount of the subsidy available for each arm's-length employee depends on whether they were employed before or after March 15, 2020. Special rules also apply to non-arm's length employees.</p> <p>Certain employer-paid contributions to EI, the Canada Pension Plan (CPP), the Quebec Pension Plan (QPP), and the Quebec Parental Insurance Plan are eligible for a 100% refund. There is no limit on the refund amount that may be claimed.</p>
Who is eligible	<p>An eligible employer includes:</p> <ul style="list-style-type: none"> • A taxable corporation other than a public institution (this includes public corporations and corporations controlled by one or more non-resident persons); • An individual; • A registered charity or non-profit organization (other than a public institution); • A partnership consisting of eligible entities; and • A prescribed organization. <p>On March 15, 2020, the eligible employer must have had a business number registered with the CRA to make remittances of employee source deductions.</p> <p>If employees apply for the CERB, it may impact an eligible employer's ability to claim the CEWS for the same eligibility period. The government is considering an approach to limit duplication which could include a process to allow individuals rehired by their employer during the same eligibility period to cancel their CERB claim and repay that amount.</p>
Eligibility criteria	<p>The revenue of the employer must have been reduced by at least 15% in March 2020, and at least 30% in April or May 2020 when compared to the same months in 2019 (the year-over-year approach) or when compared to an average of their revenue earned in January and February 2020 (the alternative approach).</p> <p>Any eligible remuneration paid to an employee in a claim period will not qualify for the subsidy if the employer has not remunerated that employee in respect of 14 or more consecutive days in that particular claim period.</p>
How to apply	<p>Beginning April 27, you can apply with the CRA through the CRA's My Business Account: https://www.canada.ca/en/revenue-agency/services/e-services/e-services-businesses/business-account.html</p> <p>Alternatively, you may apply using a separate online application form which will be available on April 27.</p> <p>The CEWS will be processed at the payroll program (RP) account level, so you will have to file a separate application for each RP account.</p> <p>Before you apply, you will need to calculate the estimated subsidy for your business. You can use the government provided calculator to determine your estimated subsidy: https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-calculate-subsidy-amount.html#h-2</p> <p>The individual with the principal responsibility for the financial activities of the eligible employer must attest to the completeness and accuracy of the application.</p> <p>When applying, you will have to select the year-over-year approach or the alternative approach and will be required to use that same method for the entire duration of the program. Businesses that did not operate as of March 1, 2019 must use the alternative approach.</p> <p>Once found eligible for a specific claim period, you will automatically qualify for the next claim period.</p>
Additional information	<p>The legislation enacting the CEWS contemplates a subsequent claim period, ending no later than September 30, 2020, suggesting that the government may anticipate extending the program beyond June 6, 2020.</p> <p>There are specific rules for calculating revenue.</p> <p>There are specific rules for determining what is considered eligible remuneration of an employee.</p> <p>Employers are still required to continue to collect and remit employer and employee contributions to EI, CPP, QPP, and the Quebec Parental Insurance Plan.</p> <p>For more detailed information about the CEWS, please ask your RBC advisor for our article titled, "Canada Emergency Wage Subsidy" and the following government website: https://www.canada.ca/en/department-finance/economic-response-plan/wage-subsidy.html</p>

continued on next page

Support for businesses

Measure: Canada Emergency Wage Subsidy (CEWS) (continued)

Considerations	<p>The wage subsidy received is taxable to the employer. The employer may claim a deduction for remuneration paid to their employees.</p> <p>The CRA may publish the name of any person that makes an application for the CEWS. Consider whether this potential disclosure may have an impact, reputational or other, on your organization.</p> <p>There are anti-avoidance measures to prevent employers from engaging in artificial transactions to reduce revenues for the purposes of claiming the CEWS. Where the anti-avoidance measures apply, the employer is liable to a penalty that is generally equal to 25% of the amount of the value of the subsidy claimed, in addition to the requirement to repay in full the subsidy that was improperly received.</p> <p>If you do not qualify for the CEWS, for example, because your business did not experience enough of a reduction in revenue, you may still be able to qualify for the Temporary 10% Wage Subsidy (discussed below).</p> <p>If you claim the Temporary 10% Wage Subsidy, it will reduce the amount available under the CEWS, such that the maximum subsidy an eligible employer can receive is 75%.</p> <p>The CEWS will also be reduced by amounts received by employees as part of the EI Work-Sharing Program (discussed below)</p>
-----------------------	---

Measure: 10% Temporary Wage Subsidy

Benefit	The 10% Temporary Wage Subsidy is a three-month measure that will allow eligible employers to reduce the amount of payroll deductions required to be remitted to the CRA. The subsidy is calculated as 10% of the remuneration paid to eligible employees from March 18, 2020 to June 19, 2020, up to \$1,375 for each eligible employee to a maximum of \$25,000 total per employer.
Who is eligible	Eligible employers include individuals, partnerships (if the members consist exclusively of individuals, excluding trusts), Canadian-controlled private corporations (CCPCs) eligible for the small business deduction, not-for-profit organizations, and registered charities.
Eligibility criteria	<p>As an eligible employer, you must employ one or more employees, have an existing business number and payroll program account with the CRA on March 18, 2020, and pay salary, wages, bonuses, or other remuneration to an eligible employee.</p> <p>An eligible employee is an individual who is employed in Canada.</p> <p>If you did not pay remuneration to an eligible employee from March 18, 2020 to June 19, 2020, you cannot receive the subsidy, even if you are an eligible employer.</p>
How to apply	<p>You do not need to apply for the subsidy.</p> <p>Continue to deduct income tax, CPP contributions, and EI premiums from salary, wages, bonuses, or other remuneration paid to your employee(s).</p> <p>Once you have calculated your subsidy, you can reduce your current payroll remittance of federal, provincial, or territorial income tax that you send to the CRA by the amount of the subsidy.</p> <p>You can start reducing payroll remittances in the first remittance period that includes remuneration paid from March 18, 2020 to June 19, 2020.</p>
Additional information	<p>You cannot reduce your remittance of CPP contributions or EI premiums. You must continue remitting the CPP contributions and EI premiums that you deducted from your employees, as well as your share of CPP contributions and EI premiums, to the CRA.</p> <p>Associated CCPCs will not be required to share the maximum subsidy of \$25,000 per employer.</p> <p>For additional information, please ask your RBC advisor for our article titled, “Temporary Wage Subsidy” as well as the following government website:</p> <p>https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html</p>
Considerations	<p>The wage subsidy received is taxable. The employer may claim a deduction for remuneration paid to their employees.</p> <p>If you are eligible for both the CEWS and the 10% wage subsidy for a period, any benefit you receive from the 10% wage subsidy for remuneration paid in a specific period would generally reduce the amount available to be claimed under the CEWS in that same period.</p>

Support for businesses

Measure: Canada Emergency Business Account (CEBA)	
Benefit	<p>As part of the federal government's Business Credit Availability Program, eligible small businesses and not-for-profit organizations may be able to receive interest-free loans of up to \$40,000 from the federal government under the new CEBA program.</p> <p>Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25% (up to \$10,000).</p> <p>CEBA is intended to assist small businesses with their operating costs during a period where their revenues have been temporarily reduced, due to the economic impacts of COVID-19. Business owners can apply for CEBA support through their bank or credit union.</p>
Who is eligible	<p>RBC is collaborating with the Government of Canada to offer CEBA assistance. Business owners may apply through RBC if:</p> <ul style="list-style-type: none"> • RBC is your primary bank for business banking, and • Your RBC business deposit account was open before March 1, 2020, is active and in good standing.
Eligibility criteria	<p>To be eligible for CEBA, per the Government of Canada's requirements, the organization must meet certain criteria, including (but not limited to) the following:</p> <ul style="list-style-type: none"> • Your organization was registered and operational on or before March 1, 2020; • Your organization is not a holding company; and • Your organization's 2019 T4 Summary of Remuneration payroll expenses (Box 14) was between \$20,000 and \$1.5 million.
How to apply	<p>The online-only enrollment process is now live.</p> <ul style="list-style-type: none"> • To enroll for CEBA, log into your RBC Online Banking for Business. • If you are an RBC Express client, please contact your RBC Account Manager for separate instructions to enroll for CEBA. <p>More information is available at https://www.rbc.com/covid-19/business.html</p>
Additional information	<p>Until December 31, 2020, the CEBA will be funded as a revolving line of credit for \$40,000.</p> <p>After December 31, 2020, any outstanding balance on the revolving \$40,000 line of credit will be converted into a non-revolving 5-year term loan maturing on December 31, 2025, at which time the balance must be paid in full.</p> <p>No interest applies until January 1, 2023. Commencing on January 1, 2023, interest accrues on the balance of the term loan at the rate of 5% per annum, payable monthly on the last day of each month.</p> <p>If you pay 75% of the balance of the term loan (as at January 1, 2021), on or before December 31, 2022, the remaining balance of your term loan will be forgiven. For example, if your balance is \$40,000 on January 1, 2021 and you repay \$30,000 on or before December 31, 2022, the remaining \$10,000 will be forgiven.</p> <p>If you do not repay 75% of the balance of the term loan (as at January 1, 2021) on or before December 31, 2022, the full loan balance and all accrued and unpaid interest will be due and payable on December 31, 2025.</p>
Considerations	<p>Per the requirements of the CEBA program, as set out by the Government of Canada, the funds from this loan may only be used by the organization to pay non-deferrable operating expenses of the organization including, without limitation, payroll, rent, utilities, insurance, property tax and regularly scheduled debt service, and may not be used to fund any payments or expenses such as prepayment/refinancing of existing indebtedness, payments of dividends, distributions and increases in management compensation.</p>

Support for businesses

Measure: Canada Emergency Commercial Rent Assistance (CECRA)	
Benefit	<p>The Government of Canada has reached an agreement in principle with all provinces and territories to implement the CECRA which will provide financial relief for small businesses and non-profit and charitable organizations who are experiencing financial hardship due to COVID-19. The program will offer forgivable loans to eligible commercial property owners who lower the rent owed by their small business tenants by at least 75% for the months of April, May and June, 2020.</p> <p>The loans will cover 50% of the gross rent owed by small business tenants during the 3-month period of April, May and June 2020. The commercial property owner will be responsible for paying no less than 25% of the gross rent payments and the small business tenant will be responsible for paying no more than 25% of the gross rent payments.</p> <p>For example, the monthly rent for a small business is \$10,000. The landlord agrees to reduce rent by 75%, or \$7,500. The small business would be responsible for paying \$2,500 (25% of rent). The landlord would forego \$2,500 (25% of rent). The federal and provincial governments would cover the remaining \$5,000 (50% of rent) in the form of a forgivable loan.</p>
Who is eligible	Eligible commercial property owners and small business tenants.
Eligibility criteria	<p>Eligible commercial property owners must meet the following requirements:</p> <ul style="list-style-type: none"> • You own property that generates rental revenue from commercial real property located in Canada. • You are the property owner of the commercial real property where the small business tenants are located. • You have a mortgage loan secured by the commercial real property, occupied by one or more small business tenants. (For those property owners who do not have a mortgage, an alternative mechanism will be implemented and further information will be forthcoming.) • You have entered or will enter into a rent reduction agreement for April, May, and June 2020, that will reduce small business tenant's rent by at least 75%. The rent reduction agreement must include a moratorium on eviction for April, May and June 2020. • You have declared rental income on your tax return (personal or corporate) for tax years 2018 and/or 2019. <p>Small business tenants are businesses, or non-profit and charitable organizations who meet the following criteria:</p> <ul style="list-style-type: none"> • Pay no more than \$50,000 in monthly gross rent per location (as defined by a valid and enforceable lease agreement), • Generate no more than \$20 million in gross annual revenues, calculated on a consolidated basis (at the ultimate parent level), and • Have temporarily ceased operations (i.e. generating no revenues), or has experienced at least a 70% decline in pre-COVID-19 revenues.
How to apply	<p>The Canada Mortgage and Housing Corporation (CMHC) will administer and deliver the CECRA. Program details including how funds will be disbursed and how to apply are being finalized by CMHC and will be available shortly, although it is expected that CECRA will be operational by mid-May.</p> <p>CECRA can be applied for retroactively. Property owners may still apply for assistance once the 3-month period has ended if they can prove eligibility during those months.</p> <p>If rent has been collected at the time of approval, property owners must refund amounts paid by the small business tenant for the period. A credit to the tenant for a future month's rent (i.e. July for April) is acceptable if agreed upon by both the property owner and the tenant.</p> <p>The deadline to apply is August 31, 2020.</p>
Additional information	<p>To measure revenue loss, small businesses can compare revenues in April, May and June of 2020 to that of the same month of 2019. They can also use an average of their revenues earned in January and February of 2020.</p> <p>The loans will be forgiven if the property owner complies with all applicable program terms and conditions including to not seek to recover rent abatement amounts after the program is over. The forgivable loans would be disbursed directly to the mortgage lender.</p> <p>If you want to be notified when additional details are released and when the application process opens, you can subscribe on the CMHC website here: https://www.cmhc-schl.gc.ca/en/finance-and-investing/covid19-cecra-small-business</p> <p>Since the provinces and territories have agreed to share total costs and facilitate implementation of the program, please check for additional details from your province or territory of residence.</p>
Considerations	As a small business tenant, you would need to cover up to 25% of your rent for the months of April, May and June. There have been no details provided around the property owner's recourse if you are unable to pay your 25% share.

Support for businesses

Measure: Export Development Canada (EDC) Business Credit Availability Program (BCAP) Guarantee	
Benefit	<p>The EDC BCAP Guarantee is a new partnership between EDC and financial institutions across Canada.</p> <p>EDC will provide an 80% guarantee to your financial institution for one year, with potential to renew for another one year, on any new operating credit or cash flow term loans to those businesses that qualify. The maximum supported loan amount is \$6.25 million CAD, to be repaid in full on the 12-month anniversary.</p>
Who is eligible	<p>The measure is targeted to Canadian small and medium sized enterprises (SMEs) facing working capital challenges as a result of COVID-19. Some sector restrictions apply.</p> <p>Your business must NOT be:</p> <ul style="list-style-type: none"> • An entity whose principal activities include the manufacturing, sale, distribution of arms, armaments, ammunition and/or related products. • An entity that promotes violence, incites hatred or discriminates on the basis of race, national or ethnic origin, color, religion, sex, age or mental or physical disability. • An entity that operates any form of sexually exploitive business. • An entity operating rent-to-own firms, pay day loan or other similar quasi-financial institutions.
Eligibility criteria	In order to be eligible, your business must have been financially viable and revenue generating prior to the impact from COVID-19.
How to apply	<p>For more details on the program, eligibility and application process, RBC business clients can contact their RBC Account Manager.</p> <p>To apply you will need to provide EDC information such as company owners, company financial information, and a CRA business number.</p>
Additional information	The EDC guarantee fee is 1.8% on the authorized loan amount with a six-month EDC guarantee fee payment deferral.
Considerations	Per the requirements of the BCAP program, as set out by the Government of Canada, the funds from this loan may only be used by the organization for operational expenses, not for dividend payouts, shareholder loans, bonuses, stock buyback, option issuance, increases to executive compensation or repayment / refinancing of other debt.

Measure: Business Development Bank of Canada (BDC) BCAP Co-Lending Program	
Benefit	<p>The BDC will provide additional liquidity support for small and medium sized enterprises (SMEs) through a Co-Lending Program that brings the BDC together with financial institutions.</p> <p>Eligible businesses may obtain incremental credit amounts up to \$6.25 million CAD, 80% of which would be provided by BDC, with the remaining 20% by RBC.</p> <p>Loans would be interest-only for the first 12 months, with amortization and terms based on your business needs.</p>
Who is eligible	The measure is targeted to Canadian SMEs facing working capital challenges as a result of COVID-19. Some sector restrictions apply.
Eligibility criteria	In order to be eligible, your business must have been financially viable and revenue generating prior to the impact from COVID-19.
How to apply	RBC business clients should speak with their RBC Account Manager to learn more about the application process and eligibility criteria.
Additional information	<p>The program is designed to target support to different business sizes with loans:</p> <ul style="list-style-type: none"> • Up to \$312,500 to businesses with revenues of less than \$1 million. • Up to \$3.125 million for businesses with revenues between \$1 million and \$50 million. • Up to \$6.25 million for businesses with revenues in excess of \$50 million.
Considerations	Per the requirements of the BCAP program, as set out by the Government of Canada, the funds from this loan may only be used by the organization for operational expenses, not for dividend payouts, shareholder loans, bonuses, stock buyback, option issuance, increases to executive compensation or repayment / refinancing of other debt.

Support for businesses

Measure: BDC Working Capital Loan	
Benefit	<p>Effective March 18, 2020, new BDC relief measures for qualified businesses include:</p> <ul style="list-style-type: none"> • Working capital loans of up to \$2 million with flexible repayment terms such as principal postponements for qualifying businesses; • Flexible repayment terms, such as postponement of principal payments for up to 6 months, for existing BDC clients with total BDC loan commitment of \$1 million or less; and • Reduced rates on new eligible loans.
Who is eligible	For entities of various sizes.
Eligibility criteria	<p>To be eligible you must be:</p> <ul style="list-style-type: none"> • A Canadian-based business; • Generating revenues for at least 24 months; • Good credit history; and • You've reached the age of majority in the province or territory where you live.
Additional information	<p>For more information on BDC's initiatives, visit bdc.ca/coronavirus.</p> <p>Existing BDC clients should reach out to their account manager for additional information.</p>

Measure: Work-Sharing Program	
Benefit	<p>Work-Sharing is an adjustment program designed to help employers and employees avoid layoffs when there is a temporary reduction in the normal level of business activity that is beyond the control of the employer. The measure provides income support to employees eligible for EI benefits who work a temporarily reduced work week while their employer recovers.</p> <p>Effective March 15, 2020 to March 14, 2021 the Work-Sharing program will ease EI eligibility requirements as well as extend eligibility for the EI work-sharing benefits from 38 to 76 weeks.</p>
Who is eligible	<p>For employers and their employees with similar job duties who agree to reduce their normal hours of work over a specific period of time.</p> <p>Employers must demonstrate a reduction in hours of work by at least 10% to 60%. The reduction of hours can vary from week to week, as long as the average reduction over the period is from 10% to 60%.</p>
Eligibility criteria	<p>There are eligibility criteria that must be met for both the employer and the employee. Some criteria include:</p> <ul style="list-style-type: none"> • All employees must agree to reduce their hours of work by the same percentage and to share the available work. • The hours of work must be reduced by at least 10% to 60%. <p>The business must:</p> <ul style="list-style-type: none"> • Be a year-round business in Canada for at least 1 year • Be a private business or a publicly held company, or • Have at least 2 employees in the work-sharing unit. <p>Eligibility was also extended to not-for-profit employers.</p>
How to apply	<p>To apply, employers must submit:</p> <p>Applications for a Work-Sharing Agreement form (EMP5100): https://catalogue.servicecanada.gc.ca/content/EForms/en/CallForm.html?Lang=en&PDF=ESDC-EMP5100.pdf and</p> <p>Attachment A: Work-Sharing Unit form (EMP5101): https://catalogue.servicecanada.gc.ca/content/EForms/en/CallForm.html?Lang=en&PDF=ESDC-EMP5101.pdf</p> <p>Employers are requested to submit applications to Service Canada 10 calendar days prior to the requested start date.</p> <p>Send your application to the applicable email address (found here: https://www.canada.ca/en/employment-social-development/corporate/notices/coronavirus/employers-overview.html), based on the area your business is located or where the maximum of participants are located.</p>
Additional information	A Work-Sharing agreement has to be at least 6 consecutive weeks long and can be up to 26 consecutive weeks. Employers may be able to extend their agreements up to a total of 76 weeks.
Considerations	EI benefits received by employees through the Work-Sharing program will reduce the benefit employers are entitled to receive under the CEWS in that same period.

Support for businesses

Measure: Farm Credit Canada (FCC) Increased Credit	
Benefit	To ensure producers, agribusinesses and food processors can remain focused on business-critical functions, FCC has put the following customer support programs in place: <ul style="list-style-type: none"> • A deferral of principal and interest payments up to six months for existing loans; or • A deferral of principal payments up to 12 months; and • Access to an additional credit line up to \$500,000, secured by general security agreements or universal movable hypothec (Québec only).
Who is eligible	Available for Agriculture, Fisheries and Aquaculture businesses. FCC customers and non-customers are eligible to apply for FCC lending products.
Eligibility criteria	FCC will assess each application on a case-by-case basis. Businesses applying for FCC lending products are subject to normal lending due diligence, which considers business viability, credit history, and management integrity and experience.
How to apply	For more information on FCC's initiatives, visit https://www.fcc-fac.ca/en/covid-19.html .
Additional information	The credit line option is a 24-month credit line up to \$500,000 at a rate of Prime +1% and no fees. The loan is secured by general security agreements or universal movable hypothec (Québec only).
Considerations	The purpose is to ensure producers, agribusinesses, and food processors have access to the cash flow they need to manage through this challenging time. It is not intended to pay out other debts.

Measure: Innovation Assistance Program (IAP)	
Benefit	The government is providing \$250 million in funding to the Innovation Assistance Program (IAP). The IAP will provide a wage subsidy for up to 12 weeks to certain eligible small and medium sized enterprises (SMEs).
Who is eligible	SMEs pursuing technology-driven innovation who are not eligible for the CEWS.
Eligibility criteria	SMEs must meet all of the following criteria to be eligible: <ul style="list-style-type: none"> • Be ineligible for the CEWS. • Be an incorporated, profit-oriented SME in Canada. • Be a company with 500 or fewer full-time equivalent employees. • Plan to pursue growth and profit by developing and commercializing innovative, technology-driven new or improved products, services or processes in Canada. • Lack sufficient financial resources to sustain operations from April 1, 2020 to June 23, 2020 (inclusive). • Have a CRA business number. • Be incorporated by no later than March 1, 2020.
How to apply	If you meet all eligibility criteria, you can complete an application at the following link: https://nrc-covid-19.microsoftportals.com/en-CA/ . The program will be accepting applications from April 22 until April 29 at 11:59 pm EDT . Following the assessment and approval of applications, you will be notified in writing on the status of your application starting the week of May 11. The IAP will begin making payments to successful applicants starting the week of May 11. Applications will be verified against CRA records.
Additional information	Measures will be put in place to ensure that the subsidy is not inappropriately obtained – that applicants are not participating in making, a false or deceptive statement. Penalties may apply in cases of fraudulent claims. For additional details, visit: https://nrc.canada.ca/en/support-technology-innovation/nrc-irap-innovation-assistance-program-iap
Considerations	As part of the assessment process and validation, the information provided in your application will be shared with the CRA.

Support for businesses

Measure: Canada Summer Jobs (CSJ) 2020 Program

Benefit	<p>In response to COVID-19, temporary changes to the CSJ program will allow employers to:</p> <ul style="list-style-type: none"> • Receive a wage subsidy reimbursement of up to 100% of the provincial or territorial minimum hourly wage. Previously, private and public sector employers were only eligible to receive up to 50% of the provincial or territorial minimum wage; • Offer part-time placements (for example, fewer than 30 hours per week). Previously, all CSJ-funded employment had to be full time (a minimum of 30 hours per week for at least 6 weeks); • Offer job placements between May 11, 2020 and February 28, 2021. Employers can offer part-time employment to youth who want to work during the academic year. Previously, all CSJ-funded positions had to be completed no later than August 28, 2020; and • Adapt their projects and job activities.
Additional information	<p>The program applies to private sector employers with 50 or fewer full-time employees, not-for-profit employers, and public-sector employers.</p> <p>For more information on the CSJ program visit: https://www.canada.ca/en/employment-social-development/services/funding/canada-summer-jobs.html</p>

Measure: Relief for federally regulated pension plan sponsors

Benefit	<p>The federal government is providing immediate, temporary relief to sponsors of federally regulated, defined benefit pension plans in the form of a moratorium, through the remainder of 2020, on solvency payment requirements for defined benefit plans.</p>
Additional information	<p>https://www.canada.ca/en/department-finance/news/2020/04/government-announces-relief-for-federally-regulated-pension-plan-sponsors.html</p>



**Wealth
Management**

This document has been prepared for use by the RBC Wealth Management member companies, RBC Dominion Securities Inc. (RBC DS)*, RBC Phillips, Hager & North Investment Counsel Inc. (RBC PH&N IC), RBC Global Asset Management Inc. (RBC GAM), Royal Trust Corporation of Canada and The Royal Trust Company (collectively, the "Companies") and their affiliates, RBC Direct Investing Inc. (RBC DI) *, RBC Wealth Management Financial Services Inc. (RBC WMFS) and Royal Mutual Funds Inc. (RMFI). *Member-Canadian Investor Protection Fund. Each of the Companies, their affiliates and the Royal Bank of Canada are separate corporate entities which are affiliated. "RBC advisor" refers to Private Bankers who are employees of Royal Bank of Canada and mutual fund representatives of RMFI, Investment Counsellors who are employees of RBC PH&N IC, Senior Trust Advisors and Trust Officers who are employees of The Royal Trust Company or Royal Trust Corporation of Canada, or Investment Advisors who are employees of RBC DS. In Quebec, financial planning services are provided by RMFI or RBC WMFS and each is licensed as a financial services firm in that province. In the rest of Canada, financial planning services are available through RMFI, Royal Trust Corporation of Canada, The Royal Trust Company, or RBC DS. Estate and trust services are provided by Royal Trust Corporation of Canada and The Royal Trust Company. If specific products or services are not offered by one of the Companies or RMFI, clients may request a referral to another RBC partner. Insurance products are offered through RBC Wealth Management Financial Services Inc., a subsidiary of RBC Dominion Securities Inc. When providing life insurance products in all provinces except Quebec, Investment Advisors are acting as Insurance Representatives of RBC Wealth Management Financial Services Inc. In Quebec, Investment Advisors are acting as Financial Security Advisors of RBC Wealth Management Financial Services Inc. RBC Wealth Management Financial Services Inc. is licensed as a financial services firm in the province of Quebec. The strategies, advice and technical content in this publication are provided for the general guidance and benefit of our clients, based on information believed to be accurate and complete, but we cannot guarantee its accuracy or completeness. This publication is not intended as nor does it constitute tax or legal advice. Readers should consult a qualified legal, tax or other professional advisor when planning to implement a strategy. This will ensure that their individual circumstances have been considered properly and that action is taken on the latest available information. Interest rates, market conditions, tax rules, and other investment factors are subject to change. This information is not investment advice and should only be used in conjunction with a discussion with your RBC advisor. None of the Companies, RMFI, RBC WMFS, RBC DI, Royal Bank of Canada or any of its affiliates or any other person accepts any liability whatsoever for any direct or consequential loss arising from any use of this report or the information contained herein. ®/™ Registered trademarks of Royal Bank of Canada. Used under licence. © 2020 Royal Bank of Canada. All rights reserved. NAV0267 (05/20)