



CRA: Maximum \$25,000 Subsidy per Employer to Keep Workers

Description

The coronavirus and the resulting market crash are disrupting people's lives. With the social distancing and stay-at-home directives by the government, many are facing [financial hardships](#). The Canada Revenue Agency (CRA) has its hands full with the tax breaks for dislocated Canadians.

The latest government relief measure is the Temporary Wage Subsidy for Employers. It's a subsidy for three months whereby eligible small businesses can reduce payroll deduction amounts that are due for remittance to the Canada Revenue Agency (CRA). An employer can receive a maximum subsidy of \$25,000 or \$1,375 per employee.

Tax-related measures

Besides the tax-filing and tax-payment deadlines extension and wage support, there are two more important measures employers should know. If a business will have difficulty meeting tax obligations due to the pandemic, employers can work out flexible arrangements with the CRA.

A second measure is support for workers who are either in quarantine or who have been directed to self-isolate. The affected worker can claim his or her Employment Insurance (EI) sickness benefits without the one-week time lag. The payment can be made in the first week of the claim.

Also, beginning on April 6, 2020, application forms for the Canada Emergency Response Benefit (CERB) will be available at the government's portal. The new program is a merger of the Emergency Care Benefit and the Emergency Support Benefit. Workers can apply for benefits through a single window.

Tax-free income

In market crashes, [tax savings](#) and investment income becomes all-important. While the value of your stocks might be falling, the dividend yield is rising as a consequence. If your investments are in quality companies like telecom giant **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), hold them if you can.

Reinvest the dividends to realize the power of compounding. It would also be advantageous to keep your stocks within the Tax-Free Savings Account (TFSA). All dividends, income, or interest earned are tax-free.

BCE is a blue-chip company and Canada's core communications provider. The services of this \$48.54 billion telecom are crucial. It's keeping government and business customers as well as consumers connected during the present crisis.

In response to the growing service volumes, BCE is making significant investments to better manage them. At the same time, the company is waiving fees on key services. For customers having paying constraints, BCE will provide billing relief.

BCE is also waiving extra usage fees for residential internet customers across the Bell brands until April 30, 2020. Canadians working from home or in isolation need not worry about the fees as the waiver is automatic.

On the stock market, BCE has a year-to-date loss of only 9.2%. The price has retreated to \$53.68, although the dividend yield has gone up to 6.2%. A \$6,000 investment in the TFSA will reward you \$372 in tax-free income.

From taxes to wage subsidy

The first remittance to the CRA for qualified employers in wage subsidy program is on April 15, 2020 (remuneration period is between March 18 and June 20 this year). The CRA or the agency taxpayers love to hate is doing its share in the fight against the deadly virus.

CATEGORY

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