

FEDERAL AND ONTARIO MEASURES IN RESPONSE TO COVID-19 IMPACTING CHARITIES AND NOT-FOR-PROFITS

*By Terrance S. Carter and Jacqueline M. Demczur**

A. INTRODUCTION

In the wake of the COVID-19 pandemic, both the federal government and Ontario government are providing assistance, support, and online resources in hopes of alleviating some of the burden and problems that many Canadians are currently facing. In addition to the relief provided by the various governments in the employment context, discussed in greater detail in *Charity & NFP Law Bulletin* No. 465, *Employer Obligations and Considerations in Response to the COVID-19 Pandemic*, there is also support for small businesses, including charities and not-for-profits, being offered. Given the fluidity of the situation, new measures may continue to be introduced at any given moment. The following is therefore not comprehensive, but rather is a brief summary of various measures provided by the federal and Ontario governments at the time of writing, and may be subject to change at any given time.

B. FEDERAL GOVERNMENT MEASURES

Prime Minister Justin Trudeau announced a new set of [economic measures](#) on March 18, 2020 to support Canadians through the COVID-19 pandemic.¹ Of particular importance to charities and not-for-profits,

* Terrance S. Carter, B.A., LL.B., TEP, Trademark Agent, is the managing partner of Carters Professional Corporation and counsel to Fasken on charitable matters. Jacqueline M. Demczur, B.A., LL.B., is a partner at Carters Professional Corporation practicing charity and not-for-profit law. The authors would like to thank Adriel N. Clayton, B.A. (Hons.), J.D., an associate at Carters Professional Corporation, for his assistance in preparing this Bulletin.

¹ Department of Finance Canada, "Canada's COVID-19 Economic Response Plan: Support for Canadians and Businesses" (last modified 23 March 2020), online: Government of Canada <<https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html>>.

the federal government proposed a [temporary wage subsidy](#) for a period of three months. Eligible employers, including non-profit organizations, charities, and certain Canadian Controlled Private Corporations, that remunerate employees on or after March 18, 2020 and before June 20, 2020 may reduce remittances of federal, provincial, or territorial income tax by the amount of the subsidy, provided that those remittances are made to the Canada Revenue Agency (“CRA”). The subsidy will be 10% of remuneration paid during this period, up to a maximum of \$1,375 per employee and \$25,000 per employer.²

The CRA’s Charities Directorate has also announced the following changes specifically affecting registered charities.

- [Form T3010 submission deadlines for charities](#) – the deadline for charities to file Form T3010, Registered Charity Information Returns due between March 18, 2020 and December 31, 2020 has been extended to December 31, 2020.³
- [Suspension of Charities Directorate operations](#) – the Charities Directorate has suspended its operations until further notice. This includes the call centre, as well as all registration and audit activities.⁴ Charities are encouraged to visit the Charities Directorate’s Charities and Giving webpage for further information, and to access the Charities Directorate’s [digital services](#) introduced through its Charities IT Modernization Project (CHAMP) to complete and file the T3010.⁵

² See section on *Helping Businesses Keep their Workers*, Department of Finance Canada, online: <https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html#Helping_Businesses_Keep>. See also, Canada Revenue Agency, “Frequently Asked Questions – Temporary Wage Subsidy for Employers” (last modified 20 March 2020), online: Government of Canada <<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>>.

³ Canada Revenue Agency, “Charities and giving” (last modified 20 March 2020), online: Government of Canada <https://www.canada.ca/en/services/taxes/charities.html?utm_source=charities&utm_medium=eml>.

⁴ *Ibid.*

⁵ Canada Revenue Agency, “New services for charities on My Business Account” (last modified 27 November 2019), online: Government of Canada <<https://www.canada.ca/en/revenue-agency/campaigns/new-services-charities-my-business-account.html>>.

C. ONTARIO GOVERNMENT MEASURES

In Ontario, the provincial government has also taken certain fiscal measures to provide relief to Ontarians affected by the COVID-19 pandemic. These measures are as follows:

- [Employment measures](#) – the Ontario Legislature passed the *Employment Standards Amendment Act (Infectious Disease Emergencies)*, 2020 on March 19, 2020.⁶ The Act provides job protection by introducing a new infectious disease emergency leave for employees unable to work and requiring unpaid time off due to COVID-19. Further information on the Act is available in *Charity & NFP Law Bulletin* No. 465, *Employer Obligations and Considerations in Response to the COVID-19 Pandemic*.
- [Closure of non-essential workplaces](#) – charities and not-for-profits should also be aware of the Ontario government’s order on March 23, 2020 for the mandatory closure of all non-essential workplace to fight the spread of COVID-19, which will come into effect on March 24, 2020 at 11:59pm.⁷ Some charities and NFPs may fall under the provincial list of essential workplaces, for example, journalism organizations, certain healthcare facilities and providers, and organizations providing food, shelter, safety or protection, and/or social services to economically disadvantaged and other vulnerable individuals. Non-essential businesses may continue to operate if the employees are working remotely or through other contingency measures.
- [Provincial Funding](#) – Ontario announced on March 23, 2020 that it would provide municipalities and organizations providing social services, including shelters, food banks, emergency services, charities and not-for-profits, with funding to support the critical work they are carrying out in response to the COVID-19 pandemic.⁸

⁶ Government of Ontario, Office of the Premier, “Employment Standards Amendment Act (Infectious Disease Emergencies), 2020” (Backgrounder, 19 March 2020), online: Newsroom <<https://news.ontario.ca/opo/en/2020/03/employment-standards-amendment-act-infectious-disease-emergencies-2020.html>>.

⁷ Government of Ontario, “Ontario Orders the Mandatory Closure of All Non-Essential Workplaces to Fight Spread of COVID-19” (News Release by the Office of the Premier, 23 March 2020), online: Newsroom <https://news.ontario.ca/opo/en/2020/03/ontario-orders-the-mandatory-closure-of-all-non-essential-workplaces-to-fight-spread-of-covid-19.html?utm_source=ondemand&utm_medium=email&utm_campaign=p>.

⁸ Government of Ontario, “Ontario Protecting the Most Vulnerable During COVID-19 Crisis” (News Release by the Office of the Premier, 23 March 2020), online: Newsroom <<https://news.ontario.ca/opo/en/2020/3/ontario-protecting-the-most-vulnerable-during-covid-19-crisis.html>>.

- [Delay of 2020 Ontario Budget](#) – Ontario’s Budget for 2020 was scheduled to be released on March 25, 2020. However, instead of the full Budget, the Minister of Finance will deliver on March 25 an economic and fiscal update based on the province’s understanding of the situation, including a one-year outlook that will “provide certainty to hospitals, schools, municipalities, and other partners”, as well as “resources for [the Ontario] healthcare system, direct support for people, and action to protect jobs and [Ontario’s] economy.”⁹

⁹ Ministry of Finance, “Statement from the Minister of Finance on the 2019 Novel Coronavirus (COVID-19) and Ontario's Economy” (Newsroom, 16 March 2020), online: Government of Ontario <<https://news.ontario.ca/mof/en/2020/03/statement-from-the-minister-of-finance-on-the-2019-novel-coronavirus-covid-19-and-ontarios-economy.html>>.