

Fall Economic Statement 2020

NOVEMBER 30, 2020



On Monday, November 30, 2020, the federal government presented the Fall Economic Statement 2020 which contains measures to provide COVID-19 support for individuals and businesses, as well as tax measures that will come into effect in 2021 and 2022. This infographic includes highlights from these proposals, which are not yet law. Contact your IG Wealth Management Consultant for information on how these proposals may affect your financial plans.

COVID-19 MEASURES: PERSONAL



SUPPORT FOR FAMILIES WITH YOUNG CHILDREN

Four additional Canada Child Benefit payments in 2021 to qualified families with children under the age of six.



ELIMINATING INTEREST ON STUDENT LOANS

Interest owing on the federal portion of the Canada Student Loans and Canada Apprentice Loans for 2021-2022 will be eliminated.



HOME OFFICE EXPENSE DEDUCTION

Employees working from home may claim up to \$400 in employment-related expenses for 2020 without a signed T2200.



EMPLOYEE STOCK OPTIONS

A \$200,000 annual limit will apply on employee stock option grants that can qualify for the employee stock option deduction (taxed at a personal tax rate similar to a capital gain).

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COVID-19 MEASURES: BUSINESSES



CANADA EMERGENCY WAGE SUBSIDY

The Canada Emergency Wage Subsidy is available for businesses experiencing a decline in revenues. A top-up subsidy is available to employers most adversely affected by COVID-19.



CANADA EMERGENCY BUSINESS ACCOUNT

Will be expanded to allow an interest-free loan of up to \$20,000 in addition to the original loan of up to \$40,000. Half of the \$20,000 loan would be forgivable if repaid by Dec. 31, 2022.



SUPPORT FOR FURLOUGHED EMPLOYEES

A separate wage subsidy rate applicable for furloughed employees will be extended to March 13, 2021.



SUPPORT FOR HIGHLY AFFECTED SECTORS

The Highly Affected Sectors Credit Availability Program will offer 100% government-guaranteed financing for deeply impacted businesses, at low rates.



CANADA EMERGENCY RENT SUBSIDY

The Canada Emergency Rent Subsidy (CERS) provides rent and mortgage support until June 2021 for qualifying organizations.



SALES TAX ON FOREIGN DIGITAL SERVICE PROVIDERS

Implement GST/HST on cross-border digital products/services from non-resident vendors, as well as tax measures on digital services.