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FREE DIGITAL ACCESS

Income cut off? Here's how to access the aid you need

By **Brendan Kennedy** | Investigative Reporter

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The Canadian government announced an \$82 billion [COVID-19 economic stimulus package](#) on Wednesday, with \$27 billion intended to go directly to workers and businesses. The package includes support not only for workers who are eligible for employment insurance (EI), but also the self-employed, independent contractors or “gig economy” workers who can't access EI.

Shortly after the announcement the Star spoke to Toronto labour lawyer Andrew Langille, who said he was concerned about Service Canada's capacity to handle the influx of applications.

“It's going to be a disaster,” he said, adding that there were already delays in processing EI claims. “The idea that they're going to be able to handle hundreds of thousands of applications in the space of a week? I think they'll pull through eventually but it's going to result in quite big delays in benefits being paid.”

Employment and Social Development Canada did not immediately respond to a request for comment on whether or not it had increased its processing capacity.

Langille said it's important to apply as soon as possible. Here are answers to other questions you may have about the aid package with Langille offering his advice throughout.

What aid can you get if you're sick or quarantined?

Anyone who doesn't have paid sick leave and hasn't been able to work because they are sick, quarantined or caring for someone who is sick or quarantined can immediately apply for EI sickness benefits, if they are eligible, without the usual one-week waiting period. EI pays 55 per cent of insurable earnings and your employer may provide a top-up on top of that.

Workers who are sick or quarantined who are not eligible for EI can, starting in April, apply for the Emergency Care Benefit, which will provide up to \$900 every two weeks for 15 weeks.

No medical notes or certificates are required. "We want this to be as easy as possible so people who need this help can get this help," Finance Minister Bill Morneau said Wednesday.

The Emergency Care Benefit does not apply to people who are laid off, but are not sick, quarantined or caring for someone else as a result of COVID-19. People in that position will be covered by the Emergency Support Benefit (see below).

Who is eligible for EI?

In order to be eligible for EI you need to have been paying into it. You also must have worked a certain number of hours in the previous year, depending on where you live. In Toronto, you are required to have 600 hours for EI sickness benefits and 700 hours for regular benefits, Langille said.

"A lot of people who are students or who have caregiving responsibilities, they're not going to meet that requirement," he said. "That would have been an easy way to let more people access EI, by dropping the hours requirement temporarily."

The number of weeks for which you receive the benefit depends on how many insurable hours you have. Langille said EI coverage is not "what it once was" because of the rise of the gig economy and precarious work. "People are getting less hours, so there's less full-time regular employment compared to the past," he said. "If you're self-employed or an independent contractor you can pay into EI and potentially get benefits, but not many people do."

What if I got laid off but I'm not sick or in quarantine?

Healthy workers who were laid off, but aren't eligible for EI, are eligible for the Emergency Support Benefit, for which the government said they have earmarked \$5 billion and would provide more details in the near future. The benefit will be delivered through the Canada Revenue Agency and, according to Morneau's announcement, is expected to provide 14 weeks of support at a "comparable level" to EI, which is 55 per cent of insurable earnings.

How do I apply?

You can apply for [EI online](#) through Service Canada's website. The application will take about an hour to complete.

Langille said you should have your banking information with you so you can select the direct deposit option. "Because you'll get your benefits faster." It would be good to have your record of employment, he said, but it's not necessary.

Applications for the Emergency Care Benefit will be available in April, the government said, and can be made through your Canada Revenue Agency account, your My Service Canada Account or by calling a toll-free number, which they have not yet set up.

It is not clear when or how people will be able to apply for the Emergency Support Benefit.

What about tips? Are they part of my income?

It depends. If your tips are "controlled," meaning they are collected and distributed by your employer, then they can be counted toward your insurable earnings. In general, tips that are not controlled by the employer, even if they are declared on your income tax, are not considered insurable earnings. "It's going to screw a lot of servers over," Langille said. "Their insurable earnings are only going to be at the level of the minimum wage."

For more information on how the [CRA classifies tips](#) see this section of their website.

What if I run my own business and I've had to close down?

You may be eligible for the Emergency Support Benefit mentioned above. If you have employees, the government is proposing a 10-per-cent wage subsidy for a period of three months up to \$1,375 per employee and \$25,000 per employer to avoid layoffs.

You should also contact your bank to negotiate deferring your loan or mortgage payments. The Bank of Montreal, CIBC, RBC, Scotiabank, TD and the National Bank announced, via the Canadian Bankers Association, that clients will be able to defer mortgage payments for up to six months and negotiate longer amortization periods or special loans. Assistance will be determined on a case-by-case basis, the association said. The government also announced other measures to increase access to credit.

Do I still have to file my taxes on time?

No. The CRA has deferred the income tax filing date until June 1. Additionally, the CRA will allow both individuals and businesses to defer the payment of any income tax amounts that become owing on or after today and before September 2020 until after Aug. 31. No business will be audited for the next four weeks.

How long will it take to be paid?

It's not totally clear. The government has waived the one-week waiting period for EI sickness benefits, but if you're not sick, quarantined or caring for someone else then the one-week waiting period still remains. For people who are not eligible for EI, applications are only opening in April. Langille said there's a "huge potential" for long delays. "They do not have the staffing levels to handle this. Even if they bring in their managers they're going to be swamped. I think you should warn people to be prepared for that."

Any other advice?

Langille suggested that people apply online and do so in the late-evening or early-morning hours when there will be less strain on the system.

"I can't stress enough that people have to apply as soon as possible, because if you delay in applying you'll start losing out on benefit weeks."

If you encounter any problems, Langille suggested contacting your MP's office or a community legal clinic.



Brendan Kennedy is a Toronto-based investigative reporter. Follow him on Twitter: [@BKennedyStar](https://twitter.com/BKennedyStar)

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