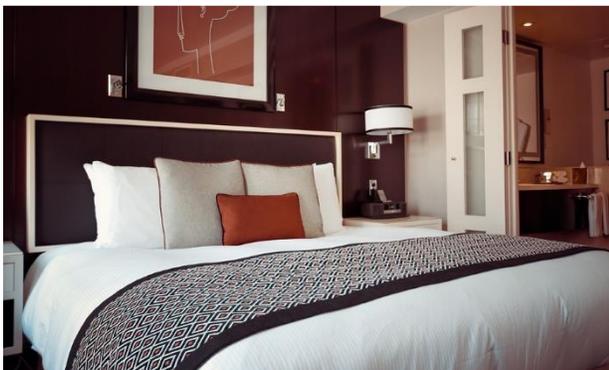




HOSPITALITY BUSINESS RESOURCES

A RESPONSE TO THE COVID-19 PANDEMIC OUTBREAK
FROM PROVINCIAL & FEDERAL GOVERNMENTS



Created: April 6, 2020
Revised: April 30, 2020

A MESSAGE FROM ORHMA'S PRESIDENT & CEO



We understand there are many hospitality businesses not able to take advantage of the first stage of relief announced by governments. Others have and we thank our governments for their support...it's a good start. These pronouncements have been designed to provide time for many in a cash flow managed industry. Deferring expenses is working but only for the short term.

One immediate huge concern is the rent businesses are paying. It is a huge expenditure that will close down many businesses. This is about government initiating a fix to the issue such as a loan incentive to landlords that display flexibility with their tenants. Many have shown flexibility and we thank them.

In the post COVID-19 era the industry will be facing both closing and start-up costs in addition to paying of the debt incurred from the announced government deferral payments. Furthermore, this current gloom period is providing marginal to zero revenues. Where will the cash be found?

ORHMA's Advocacy: A Road to Recovery

A robust plan is now required in supporting hospitality businesses ramping up in the post virus era. The industry was the first to be hit with the impact of COVID-19 and the pain will continue. These are extraordinary times that call for extraordinary actions.

ORHMA calls for hospitality sector specific cash infusion that can be implemented through several options- two listed here:

- A forgivable loan provided by the banks but funded and guaranteed by the federal government paid back through newly generated HST.
- A government grant made up from the HST earned during the last two quarters of 2019.

The industry across Canada agrees that the hospitality emergency loan program should be managed as such:

- Full government backing for the loans up to \$6.25 million
- Eligibility based on a per location or property basis rather than at the level of corporate entity
- Facilitate rapid processing through Chartered Banks and Credit Unions rather than through BDC. Provide lending institutions with a simple checklist to verify business solvency on March 15.
- Establish a forgivable portion of these loans for amounts paid for wages, rent, mortgage and utilities up to the period when revenue reaches 70 per cent of normal monthly activity

This plan will prepare the industry for success that will enable hiring back the unprecedented laid off workers and support the economics of its huge supply chain. A vibrant hospitality industry will support boosting a much-desired consumer confidence in the post COVID-19 virus.



Tony Elenis
President & CEO
Ontario Restaurant Hotel & Motel Association (ORHMA)

INFORMATION AT A GLANCE

PROVINCIAL DELIVERABLES

Liquor Sales For Delivery & Take-Out

- Licensed restaurants and bars in Ontario may sell alcohol with food take-out and delivery orders between the hours of 9:00 am and 11:00 pm. All active liquor licensees may immediately begin offering this service if they choose and there is no application process or fee required. Liquor may be sold for take-out or delivery through a third party, such as a food delivery service or ordering platform, provided they are acting on behalf of the licensee.

[Read more](#)

Energy Relief For The Hospitality Industry

- Setting electricity rates to the “off-peak” price for 24 hours a day for 45 days to support ratepayers in their increased daytime electricity usage for small business and residents. A fuller review is forthcoming.

[Read more](#)

Employer Health Tax (EHT)

- Cutting \$355 million in taxes from \$490,000 through a proposed temporary increase to the Employer Health Tax (EHT) exemption to \$1 million retroactive to start of 2020

[Read more](#)

Workplace Safety & Insurance Board (WSIB)

- Allowing employers to defer payments for up to six months to the Workplace Safety and Insurance Board (WSIB), to make \$1.9 billion available. This allows businesses to defer premium reporting and payments until August 31, 2020. Benefit payments will continue for people with work related injuries or illness.

[Read more](#)

Interest & Penalty Relief

- **Five** months of interest and penalty relief for businesses to file and make payments for the majority of provincially administered taxes to make \$6 billion available

[Read more](#)

Municipal Education Tax Payment Deferral

- Deferring the upcoming June 30 quarterly municipal remittance of education property tax to school boards by 90 days to make over \$1.8 billion available. This initiative is meant for municipalities to defer costs incurred by business such as property tax and payment of utility bills.

FREQUENTLY ASKED QUESTIONS:

- [Payroll](#)
- [Human Resources](#)

FEDERAL DELIVERABLES

Canada Emergency Commercial Rent Assistance (CECRA)

- On April 24, 2020, the Government of Canada, along with its provincial and territorial partners, announced additional details on the much-anticipated **Canada Emergency Commercial Rent Assistance (CECRA)** program. This program, which will also apply in Ontario, will be structured as a forgivable loan for qualifying commercial landlords and is intended to create a mechanism whereby 50% of commercial rent that would otherwise be owed by eligible tenants will be paid through CECRA.

[Read more](#)

Canada Emergency Wage Subsidy (CEWS) – up to 75% of wages

- On April 1, 2020, the Department of Finance announced the new Canada Emergency Wage Subsidy delivering a 12-week wage subsidy of up to 75% of wages paid starting March 15, 2020. CEWS is available to eligible employers experiencing revenue declines of 30% or more.

[Read more](#)

New Access to Credit through Small and Medium-sized Enterprise Loan and Guarantee program

The Government of Canada has introduced the Business Credit Availability Program (BCAP) to help Canadian businesses obtain financing during the current period of significant uncertainty.

BCAP will support access to financing for Canadian businesses in all sectors and regions. Through this program, Export Development Canada (EDC) and the Business Development Bank of Canada (BDC) will provide \$65 billion in direct lending and other types of financial support.

For additional information on any of the BCAP programs or to apply, Businesses should contact their primary lender, where they have a pre-existing relationship. Businesses that are impacted can contact them by phone or email to find out about their application process.

[Read more](#)

Deferred GST & HST payments, duties and taxes on imports until June 2020

- This is equivalent of providing up to \$30 billion in interest-free loans to Canadian businesses.
- Deferred payments to allow businesses to have more liquidity on hand to survive the financial impact of COVID-19.

[Read more](#)

Canada Emergency Business Account

- Banks will offer \$40,000 loans, guaranteed by the government, to qualifying small businesses and loans will be interest-free for the first year. Qualifying businesses must have payrolls of greater than \$20,000 and less than \$1.5 million.
- If certain conditions are met, a 25% loan forgiveness will be available (up to \$10,000).
- Loans will be available through eligible financial institutions and will be fully guaranteed and funded by the Government of Canada

[Read more](#)

Income Tax Return Information

- As of March 18, 2020, the Federal tax deadline has now been extended. The deadline for filing your 2019 income taxes, **for individuals, has been extended to June 1, 2020.**

[Read more](#)



Employment Insurance (E.I.) & Canada Emergency Response Benefit (CERB)

- [Canada Emergency Response Benefit \(CERB\)](#)
- [If You've Lost Employment Income](#)
- [General Qualifiers for E.I.](#)
- [E.I. Frequently Asked Questions](#)
- [How to Apply for E.I.](#)

Note: The information provided in this document is meant as a guideline for best practices and should not be taken as medical or legal advice. As information about COVID-19 is constantly changing, operators should refer to their public health units for advice or consult with their legal team.