

CAO has engaged Hardy, Normand et Associés L.L.P. to examine coverage that may be available to assist optometrists under the Federal Government's COVID-19 legislation.

Hardy, Normand and Associates LLP will prepare a table summarizing the applicable measures. Due to the speed at which announcements are happening, this table will be updated as new measures or changes in current measures are developed. A web link to access the table exclusively reserved for optometrists will be provided to you next week. You will also be able to send us questions to info@opto.ca. We will provide answers to those questions that best serve all optometrists in a link that will be provided to you shortly. Questions about specific situations will not be answered. Members are encouraged to contact a professional for these cases.

Please do not ask questions of Hardy, Normand et Associés LLP. If you do, the firm will invoice you for its fees.

CATEGORIES OF PROFESSIONALS

The following categories will help you to better identify the measures that correspond to your situation:

1. An incorporated optometrist is one who practices his/her profession through a corporation in which s/he owns shares. When s/he owns more than 40% of the company's voting shares, s/he is not eligible for the EI program. If s/he has less than 40%, s/he may be eligible for Employment Insurance, provided he receives a salary.
2. An optometrist is considered **self-employed** if he or she practices **without being incorporated**. Annually, his/her income and professional expenses are reported on a personal income tax return.
3. In rarer situations, an optometrist could be the employee of another optometrist. In such a situation, s/he receives a salary and is eligible for employment insurance if he otherwise meets the conditions.

MEASURES FOR UNINCORPORATED OPTOMETRISTS CONSIDERED SELF-EMPLOYED

Federal Wage Subsidy

On March 27th, the Prime Minister announced an increase in the grant. The government is proposing to provide employers with a temporary wage subsidy for a period of three months. The grant will now be equal to 75% of the remuneration paid during this period.¹ Businesses will be able to benefit retroactively from this support measure to March 15 by reducing their source deduction payments. More details will follow regarding the maximum subsidy per employee and employer following today's announcement.

Canadian Emergency Response Benefit (CERB)²

Eligibility

1. Individual who is in any of the following situations:
 - Contracted the virus or has symptoms
 - Is quarantined
 - Is forced to stay at home to take care of his children
 - Must stay home to care for a family member with COVID-19

2. Eligible workers
 - Workers who have to stop working for 14 days because of COVID19 and who do not have access to paid leave or other income supports;
 - Working parents who have to stay at home without pay to care for children who are sick or in need of additional care due to school and daycare closures;
 - Workers who are still employed but not being paid because there is not enough work at the moment and their employer has asked them not to come to work;

¹ This new grant was announced on March 27, 2020. It replaces the subvention of 10% of compensation paid (up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer) announced by the federal government on March 18.

² This new service was announced on March 25, 2020. It replaces the Emergency Care Allowance and the Emergency Support Allowance announced by the federal government on March 18.

- Wage earners and **self-employed workers**, including contract workers, who would not otherwise be eligible for Employment Insurance.

Financial assistance

1. Available from April 2020.
2. \$2,000 monthly taxable allowance.
3. Maximum period of 4 months.

Apply

1. Using the CRA's MyAccount secure portal, which will be commissioned in early April
2. Using the secure My Service Canada Account
3. An automated telephone line and a toll-free number will also be made available

What happens if an optometrist must stay open for emergencies and receives reduced income as a result?

Under the eligibility criteria that has been made public by the federal government, an individual will be eligible for the new Canada Emergency Response Benefit (CERB) if they have stopped working **and** have not received any income.

Since in the proposed situation the optometrist continues to work, he would not be eligible for the benefit even if he has reduced income.

On the other hand, if an optometrist has not worked for at least 14 consecutive days in the 4-week period for which he can apply for the benefit, he will be able to obtain it for that 4-week period, regardless of whether he was eligible or not, during the previous or subsequent 4-week period. Upon this reading, it may be possible to form groups of optometrists (at least 3) who take turns to treat emergencies over 14 consecutive days. Thus, the optometrists who are not treating emergencies would not have worked at least 14 consecutive days in a period of 4 weeks. **DISCLAIMER:** This position has not been tested as no claims have been filed yet, so therefore the tax authority interpretation may be different and it is also subject to change.

MEASURES APPLICABLE TO COMPANIES (TO INCORPORATED OPTOMETRISTS)

Federal Wage Subsidy

On March 27th, the Prime Minister announced an increase in the grant. The government is proposing to provide employers of eligible small businesses (including those who receive the small business deduction) with a temporary wage subsidy for a period of three months. The grant will now be equal to 75% of the remuneration paid during this period.³ Businesses will be able to benefit retroactively from this support measure to March 15 by reducing their source deduction payments. More details will follow regarding the maximum subsidy per employee and employer following today's announcement.

Canadian Emergency Response Benefit (CERB)⁴

This benefit is also available for an optometrist who practises his/her profession through a corporation. See more information in the sections above and below.

Can an incorporated optometrist who only receives dividends claim the CERB?

No, because the optometrist must have received a salary of at least \$5,000 in the twelve months preceding the application.

If an incorporated optometrist sees emergencies during the pandemic, but does not pay himself a salary, and his company does not make a profit, is he entitled to the new Canadian Emergency Response Benefit?

Under the eligibility criteria that have been made public by the federal government, an individual will be eligible for the new Canada Emergency Response Benefit if they have stopped working and have not received any income.

Since the optometrist in the proposed situation continues to work, he would not be eligible for the benefit even if he does not pay himself a salary.

On the other hand, if an optometrist has not worked for at least 14 consecutive days in the 4-week period for which he can apply for the benefit, he will be able to

³ This new grant was announced on March 27, 2020. It replaces The subvention of 10% of compensation paid (up to a maximum subsidy of \$1,375 per employee and \$25,000 per employer) announced by the federal government on March 18.

⁴ This new service was announced on March 25, 2020. It replaces the Emergency Care Allowance and the Emergency Support Allowance announced by the federal government on March 18.

obtain it for that 4-week period, regardless of whether he was eligible or not, during the previous or subsequent 4-week period. Note that he needs to meet the previous criteria (i.e. to have earned in the past 12 months a salary of at least \$5,000). Upon this reading, it may be possible to form groups of optometrists (at least 3) who take turns to treat emergencies over 14 consecutive days. Thus, the optometrists who are not treating emergencies would not have worked at least 14 consecutive days in a period of 4 weeks. **DISCLAIMER:** This position has not been tested as no claims have been filed yet, so therefore the tax authority interpretation may be different and it is also subject to change.

IF optometrists decide to treat emergencies pro bono when they could have charged for their services, are they entitled to the CERB?

The optometrist would not be entitled to the \$2,000 since he would have worked during the 14 days even if there was no income.

Emergency account for businesses

On March 27th, the federal government announced potential \$40,000 business loans that would be interest free for the first year. Subject to certain conditions, the first \$10,000 may qualify for subsidization. Also, the loan would be guaranteed by the federal government. More details will follow.