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Tax Alert – Canada

Saskatchewan government support

EY Tax Alerts cover significant tax news, developments and changes in legislation that affect Canadian businesses. They act as technical summaries to keep you on top of the latest tax issues. For more information, please contact your EY advisor or EY Law advisor.

On 20 March 2020, the Saskatchewan government announced new funding and supportive measures to reduce costs for businesses and individuals, providing support to self-employed individuals not covered by new federal support measures, and established a Business Response Team designated to support Saskatchewan businesses during this time of uncertainty. The premier stated that: “During this time of great uncertainty, it is of the utmost importance that Saskatchewan people know their government is here to provide support. This plan supports businesses and employees. Most importantly, it supports the opportunity to come back to work.”

These measures are also in addition to those announced in the federal government’s 18 March 2020 Economic Response Plan - see [EY Tax Alert 2020 No. 15](#) for more details on the federal Economic Response Plan.

Tax measures

- ▶ Effective immediately, Saskatchewan businesses who are unable to remit their PST due to cash flow concerns will have relief from penalty and interest charges for a three-month period, beginning on 20 March 2020. This expands upon a previous announcement in Saskatchewan Information Notice 2020-03 (released on 17 March 2020), which indicated that businesses impacted by the current crisis may request relief from penalty and interest on late-filed provincial tax returns.
- ▶ Audit program and compliance activities have been suspended.

Changes to Employment Standard Regulations

Recent changes to *The Saskatchewan Employment Act* released 17 March 2020 introduced a new unpaid public health emergency leave and removed the 13-week employment requirement to access sick leave, as well as the requirement for a doctor's note to access sick leave. In addition, *The Employment Standard Regulations* have been amended to:

- ▶ Ensure that during a public emergency, businesses will not have to provide notice or pay in lieu of notice when they lay off staff if it is for a period of 12 weeks or less in a 16-week period; and
- ▶ If an employer lays off employees periodically for a total of more than 12 weeks in a 16-week period, the employees are considered to be terminated and are entitled to pay instead of notice as outlined in the Act. This will be calculated from the date on which the employee was laid off.

Self-Isolation Support Program

The Self-Isolation Support Program, which will be administered by the Ministry of Finance, was introduced. This program will provide \$450 per week, for a maximum of two weeks or \$900. This program is aimed at Saskatchewan residents who are forced to self-isolate and are not covered by recent federally announced employment insurance programs and other supports. The program will mostly benefit self-employed residents of Saskatchewan who:

- ▶ Have contracted the illness or are showing symptoms;
- ▶ Have been in contact with an individual who has contracted the illness; or
- ▶ Have recently returned from international travel and have been required to self-isolate.

In addition, the individual must also satisfy the following criteria:

- ▶ They are not eligible for compensation, including sick leave or vacation leave, from their employer;
- ▶ They do not have private insurance covering such disruptions; and
- ▶ They are not covered by other programs such as the revised Employment Insurance program.

Business Response Team to be established

The Government of Saskatchewan will be establishing a single-window information webpage for businesses to access information and receive timely updates on provincial support initiatives. This will be complemented by the establishment of a Business Response Team, led by the Ministry of Trade and Export Development, to work with businesses to identify program supports relevant to particular businesses. Once available, more detailed information will be communicated to the public and to local chambers of commerce.

Crown utility interest deferral program

The government announced a Crown utility interest deferral program, waiving interest on late bill payments for up to six months. Effective as of 20 March 2020, the Crown utility interest deferral program is available to all Crown utility customers.

Student loan repayment moratorium

Effective immediately, a six-month student loan repayment moratorium will apply. This measure mirrors a similar measure announced by the federal government on 18 March 2020.

Learn more

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