



# Information Sheet

## *Financial Wellness During the COVID-19 Pandemic*

The stress over finances go beyond just the income of wages. Ongoing expenses can create significant pressures for individuals and families. Here are some of the steps the Federal Government is taking to ease that burden, as well as some other tips and tricks for decreasing financial worries during these challenging times.

### **2019 Tax Returns**

The Canada Revenue Agency (CRA) has implemented new extended deadlines for both the submission of individual 2019 tax returns and payment of any money owed as a result of these tax returns.

- **Filing 2019 Tax Returns** – Deadline for filing for individuals is deferred until **June 1, 2020**.
  - This does not apply to trusts.
  - Note: individuals who expect to receive benefits under the GSTC or the Canada Child Benefit are encouraged not to delay the filing of their return to ensure their entitlements for the 2020-21 benefit year are properly determined.
- **Payment of Owed Taxes** – Taxpayers can defer the payment of any income tax amounts that become owing on or after today and before September 2020 until **after August 31, 2020**. This relief applies to tax balances due, as well as instalments, under Part I of the Income Tax Act. No interest or penalties will accumulate on these amounts during this period.”

### **Mortgage Payments**

The “Big Six” banks in Canada are working with the Federal Government and have agreed to allow some individual to defer their mortgage payments for up to six (6) months. The details about qualifying and terms of such deferrals will be determined by each bank.

If you are facing financial difficulties due to the COVID-19 outbreak and are unsure if you will be able to make your mortgage payments, contact your bank or credit union.

Also, if it’s coming time for your mortgage to be refinanced, now is the perfect time to look at your options and maybe even shop around. Interest rates are low and the banks will want to keep your business.

### **Increased Benefits & Rebates**

The Government is proposing some benefits and rebates for low to middle income Canadians and Canadian families as follows:

- **Goods and Services Tax Credit (GSTC)** – Proposal for a one-time special payment in early May 2020 that will double the maximum annual GSTC payment amounts for the 2019-20 benefit year. On average, this measure will be approx. \$400 for single individuals and \$600 for couples.
- **Canada Child Benefit (CCB)** – Proposed increase of \$300/child to the maximum annual payment amounts for the 2019-20 benefit year.
- **Canada Student Loans** – Proposing placing a six-month interest-free moratorium on the repayment of Canada Student Loans for individuals currently repaying these loans.

# Info Sheet cont. – Financial Wellness During COVID-19

The information above was obtained at [https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html#Income\\_Support\\_for](https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html#Income_Support_for)

## Reducing Expenses

Things are difficult across the board right now, but companies are taking steps to help out individuals and families. Consider taking steps to reduce your expenses by talking to some of your service providers about how to reduce costs. This can be done by requesting:

- A reduction in rates
  - Sometimes companies will maintain your current services, but decrease your rates if they think they might lose your business completely. You don't know if you don't ask!
- A decrease in services to levels
  - It's always a good idea to look at what services your getting and whether you really need them. Reductions in service levels to something that cost less could be a temporary or a permanent step. Who knows – you might find you don't need the more expensive plan after all.
- A deferred payment plan
  - Some companies will let you defer payments for a period of time if you are facing a difficult financial situation. Again, they generally want to keep your business, so this might be a temporary fix.

These requests can be made for a variety of services including cable & phone plans, bank/credit union fee packages, oil or propane deliveries, and so on.

For banking services, connect with your bank or credit union's financial advisors. They may have helpful suggestions about ways to take off the pressure such as opening a line of credit which may have a lower interest rate than a credit card, or implementing an overdraft to decrease worries about automatic deductions "bouncing" when coming from your accounts.

It also never hurts to shop around, especially if you have larger bills coming due for renewal like auto, home or renters' insurance coverage. See what's out there, assess what you need, and make an informed decision before you sign.

***Remember – you are a valued, consistent, and possibly long-term customer. If they want to keep your business, they should be willing to work with you!***