



CESTNICK

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TAX MATTERS

## School is almost out and students are getting help in this COVID-19 world

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School is almost out for most postsecondary students. My nephew, Sam, just graduated from a very distinguished program offered by a university south of the border. His major? Clowning. No, really. The last course he took was Therapeutic Clowning. We laughed at him. He took this as a good sign of future employment success.

As students say goodbye to campuses after graduation, or at least until next term, many will be looking for jobs at a time when, frankly, there are significantly fewer jobs than in the pre-COVID-19 world.

Yesterday, Prime Minister Justin Trudeau announced additional measures to help students cope through this tough time. Consider the following tax and related measures that might offer help.

**Canada Emergency Response Benefit (CERB).** The CERB will provide \$2,000 for a four-week period,

for up to 16 weeks to those who qualify. Much has been written about the eligibility criteria, and it's clear that some students may qualify if they have earned at least \$5,000 in the past 12 months or in 2019, and they lost their job because of COVID-19. Eligibility requirements were relaxed on April 15 so that now you can earn up to \$1,000 (before taxes) during any four-week period of the program and still qualify. You can apply at [canada.ca](https://canada.ca) (enter "CERB" in the search field and you'll find the page to apply). Keep in mind, the CERB is taxable, but many students won't face tax since they have the federal basic personal tax credit to offset tax on the first \$13,229 (in 2020) of income, plus tuition tax credits. Most students can earn approximately \$20,000 (including the CERB) before having to worry about paying tax.

**Canada Emergency Student Benefit (CESB).** The CESB will provide support to students and new graduates who are not eligible for the CERB. Eligible students can receive

\$1,250 a month, or \$1,750 a month for those with dependants or disabilities. This benefit will be available from May to August of this year. The government hasn't released application details yet, but watch the [canada.ca](http://canada.ca) website because I expect you'll find those details in the next few days. Like the CERB, I expect this benefit will be taxable, but most students won't likely have to pay tax thanks to the tax credits I mentioned earlier.

**GST tax credit.** Many students will be acquainted with the GST/HST tax credit – a payment received quarterly. On March 18, the government announced that it would pay a one-time special GST/HST credit by doubling the benefit for the 2019-20 benefit year and paying this bonus on April 9. You should have received the bonus automatically if you've been receiving the payments each quarter.

**Canada Student Service Grant (CSSG).** The CSSG will help students gain work experience and skills while they help their communities during this crazy pandemic. If you're a student who chooses to serve your community, the CSSG will provide up to \$5,000 for your education in the fall. Few details were announced on Wednesday, but check the [canada.ca](http://canada.ca) website for application details in the next few days. Once again, it's virtually certain that this benefit will be taxable, like the CERB.

**Canada Summer Jobs Program.** This program has just been modified for 2020 to extend the application deadline from Feb. 28, 2020, to Feb. 28, 2021. This will allow employers who hadn't applied to do that now if they provide essential services. Further, employers can now receive a wage subsidy of up to 100 per cent (up from 50 per cent) of the local minimum

wage. Job placement could begin as early as May 11, 2020, and end as late as Feb. 28, 2021. Youth can apply through the job bank website ([jobbank.gc.ca](http://jobbank.gc.ca)) and app.

**Canada Student Grants.** The federal government has doubled the Canada Student Grants for eligible full-time students to up to \$6,000, and up to \$3,600 for part-time students in 2020-21. Grants for students with disabilities or dependants have also been doubled.

**Student financial assistance.** Do you need to borrow money for postsecondary school? The government announced that it has broadened the eligibility for financial assistance by removing your (and your spouse's) expected contributions to your own education costs from their calculations for 2020-21. In addition, the Canada Student Loans Program has been enhanced by raising the maximum weekly amount that can be loaned to a student from \$210 to \$350 for 2020-21.

**Student loan payments.** If you're at the stage where you're now obligated to make payments on your student loans, the government announced you won't have to make payments, and there will be no interest, until Sept. 30, 2020.

**Scholarships and fellowships.** The government announced it will extend expiring federal graduate research scholarships and postdoctoral fellowships, will supplement federal research grants, and will enhance work opportunities for graduate students through the National Research Council of Canada.

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