

# CFIB Webinar

Key Updates on Federal Budget and Programs

Webinar series #65



# TODAY'S CFIB PRESENTERS



**Laura Jones**  
Executive Vice-President  
& Chief Strategic Officer



**Corinne Pohlmann**  
Senior Vice-President,  
National Affairs and  
Partnerships



**Rachel Ng**  
Manager of  
Member Information  
and Escalations

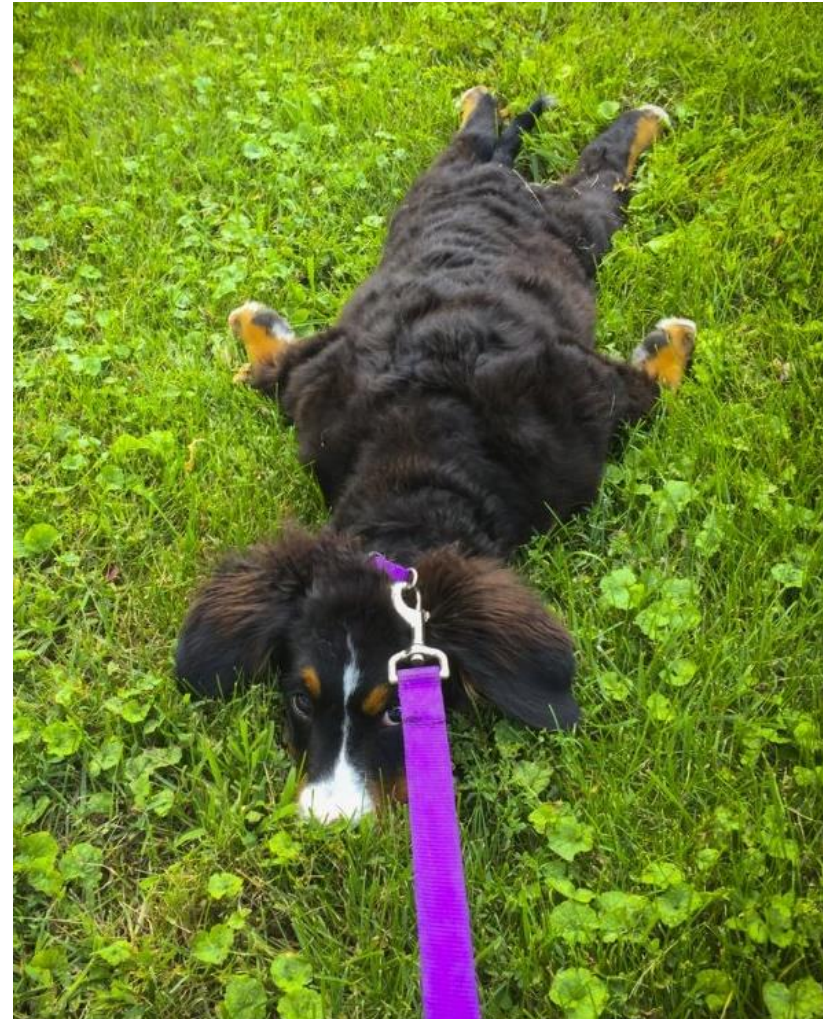
# AGENDA

1. **Welcome**
2. **Small business take on federal budget**
3. **Changes to the temporary foreign worker program**
4. **Covid supports ending - What you need to know**
5. **Your questions**

When you forget your mask at the coffee shop...



All tuckered out





A grayscale background image of a woman with curly hair, smiling and holding several shopping bags. The image is semi-transparent, allowing the text to be overlaid clearly.

“

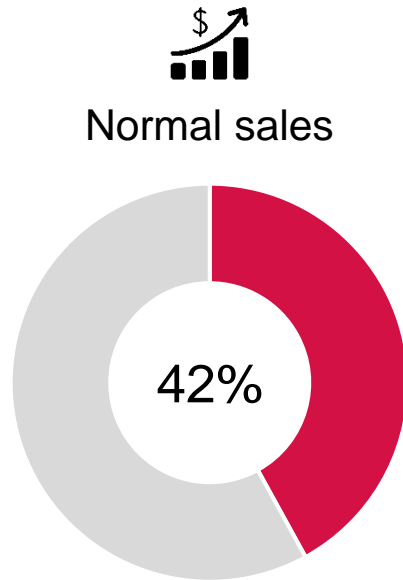
*Try to be a rainbow in  
someone's cloud.*

- Maya Angelou

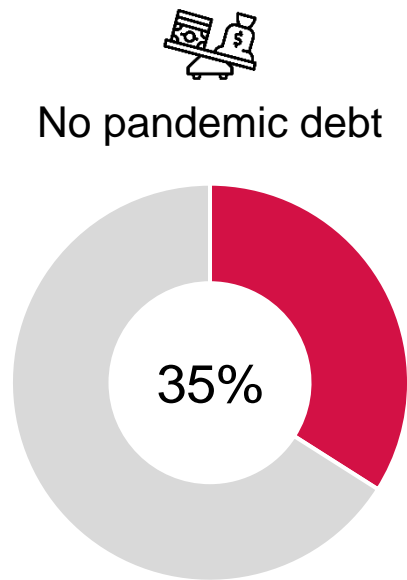
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# State of Small Business

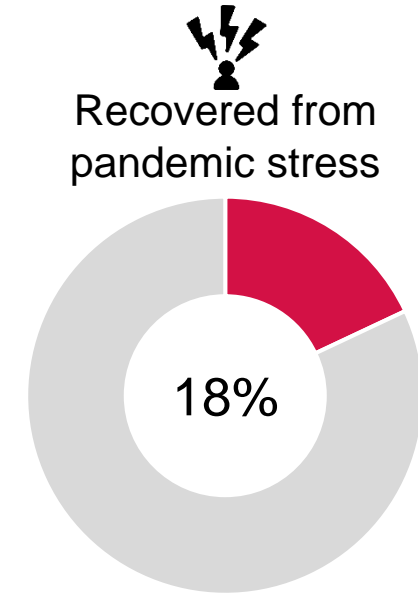
Small businesses are still feeling the impacts of the pandemic, with only 2 in 5 making normal sales (42%), just over a third reporting no pandemic related debt (35%) and less than 1 in 5 indicating they are not holding any pandemic-related stress (18%).



- About the usual (33%)
- Better than usual (9%)



- Repaid all of it (11%)
- Not applicable – never took on pandemic-debt (24%)

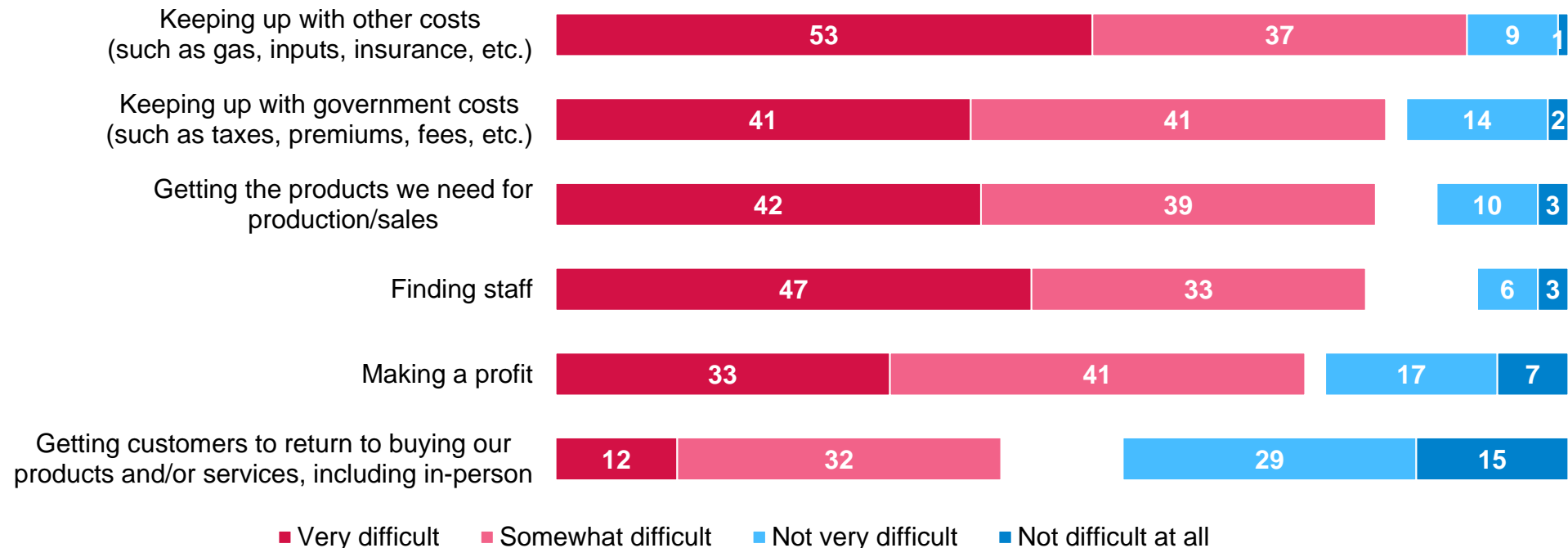


- Completely recovered (11%)
- Not applicable – never had pandemic-stress (7%)

Source: CFIB, Your Voice - April 2022 survey, April 8-12, 2022, preliminary results, n (sales) = 1,284, n (debt) = 1,278 and n (stress) = 1,280.

# Currently, how difficult are the following for your business?

Small businesses are having the greatest of difficulties keeping up with general costs, such as gas and inputs (90%), and with government costs, such as taxes and fees (82%). A majority are also finding it difficult finding staff, getting the products they need, and making a profit.



Source: CFIB, Your Voice - April 2022 survey, April 8-12, 2022, preliminary results, n = between 1,246 and 1,287 per option.  
 Note: Not shown in the middle of the bars: shares of respondents indicating "Don't know/Unsure" and "Not applicable".

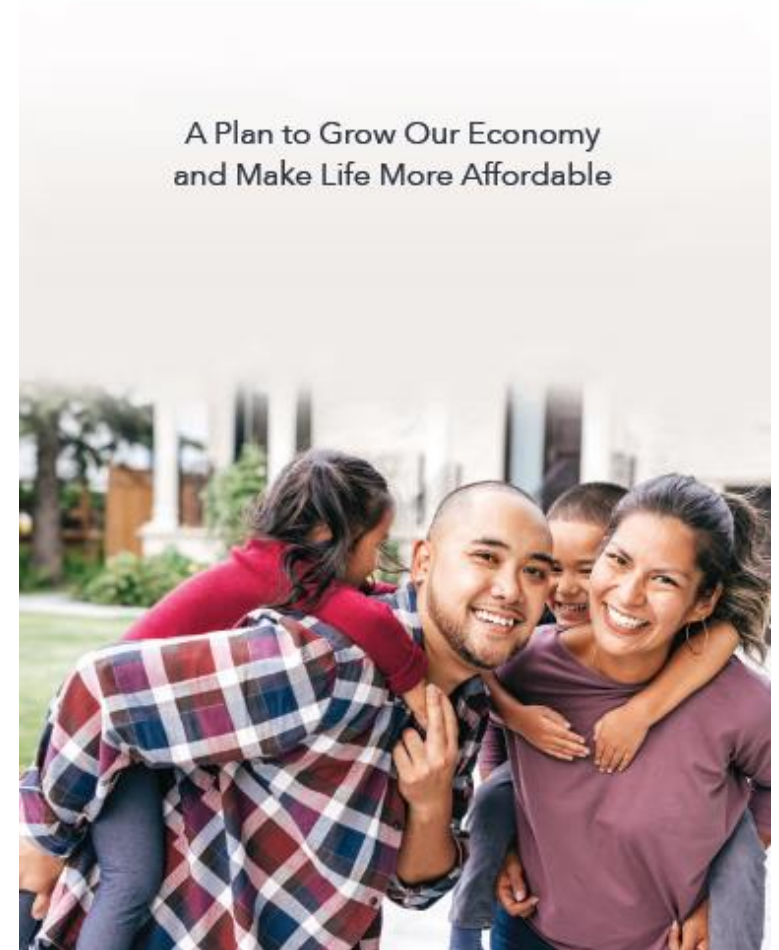
# Federal Budget

## Overall

- Missed opportunity to help small business recover from COVID
- Heavy focus on new spending in many areas including defence, housing, environment, social programs (e.g. dental care) and more
- Deficits projected for next 5 years with 2022/23 deficit expected to be \$52.8 billion but still at \$8 billion by 2026/27

2022   
BUDGET

A Plan to Grow Our Economy  
and Make Life More Affordable





# Federal Budget

## Some good news

- Will increase taxable capital limits on the small business tax rate from \$15 million to \$50 million.
  - Means capital-intensive firms will no longer lose access to the lower 9% tax rate on the first \$500,000 in corporate income when they reach \$15 million in taxable capital.
- Will establish Employee Ownership Trusts to support employee ownership.
  - Could be an important succession option for those looking to exit their business.

# Federal Budget

## Some more good news

- Will introduce a Labour Mobility Deduction, which would allow tradespersons to deduct up to \$4,000/year in eligible travel and temporary relocation expenses starting in 2022.
- Will examine the rollover provisions for small business investments which allows investors to defer tax on capital gains to ensure the tax system is providing adequate support to growing businesses.
- Will introduce a new banking complaints handling system which will hopefully include small business and payments related complaints

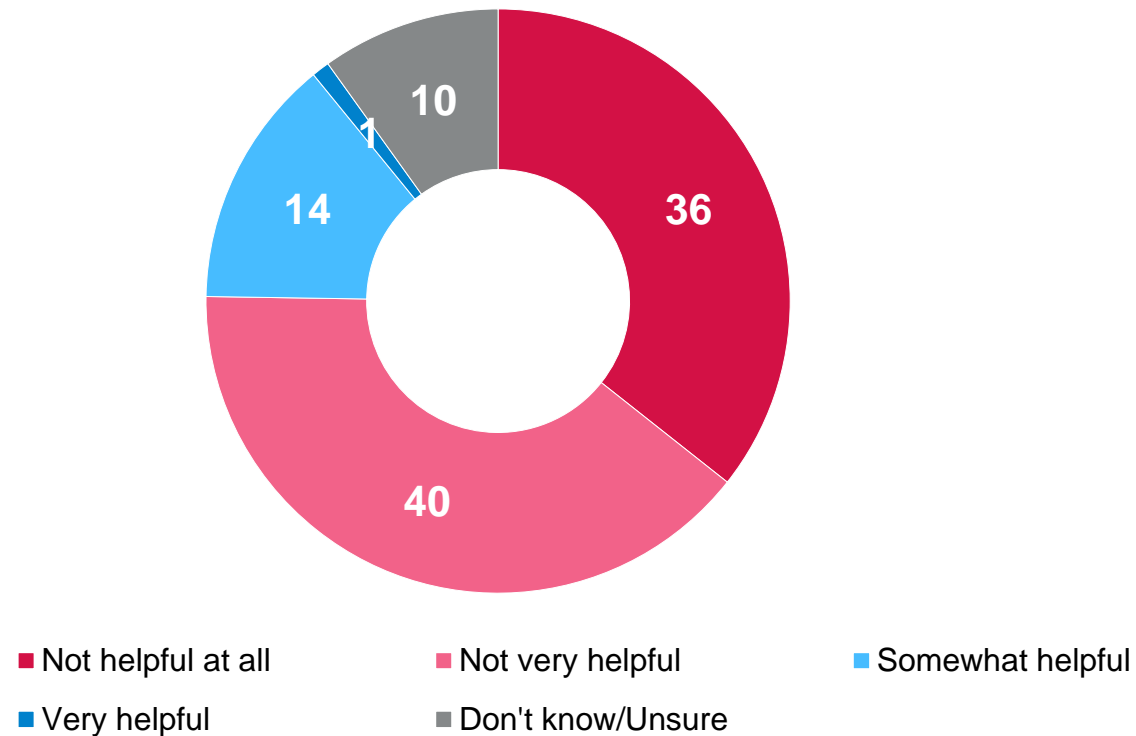
# Federal Budget

## Not-so-good news

- No further COVID-related measures to support small business debt or recovery. All pandemic relief programs will end May 7<sup>th</sup>.
- Very little to reduce costs of doing business
  - Increases to both EI and CPP in 2023. EI deficit reaching \$33 billion in 2022/23.
  - No new action on reducing credit card fees despite previous budget promises
  - No mention of freezing carbon taxes or making carbon tax fairer to SMEs
  - No broad movement on reducing red tape
- Eliminating the 100% Canadian wine excise tax exemption by June 2022

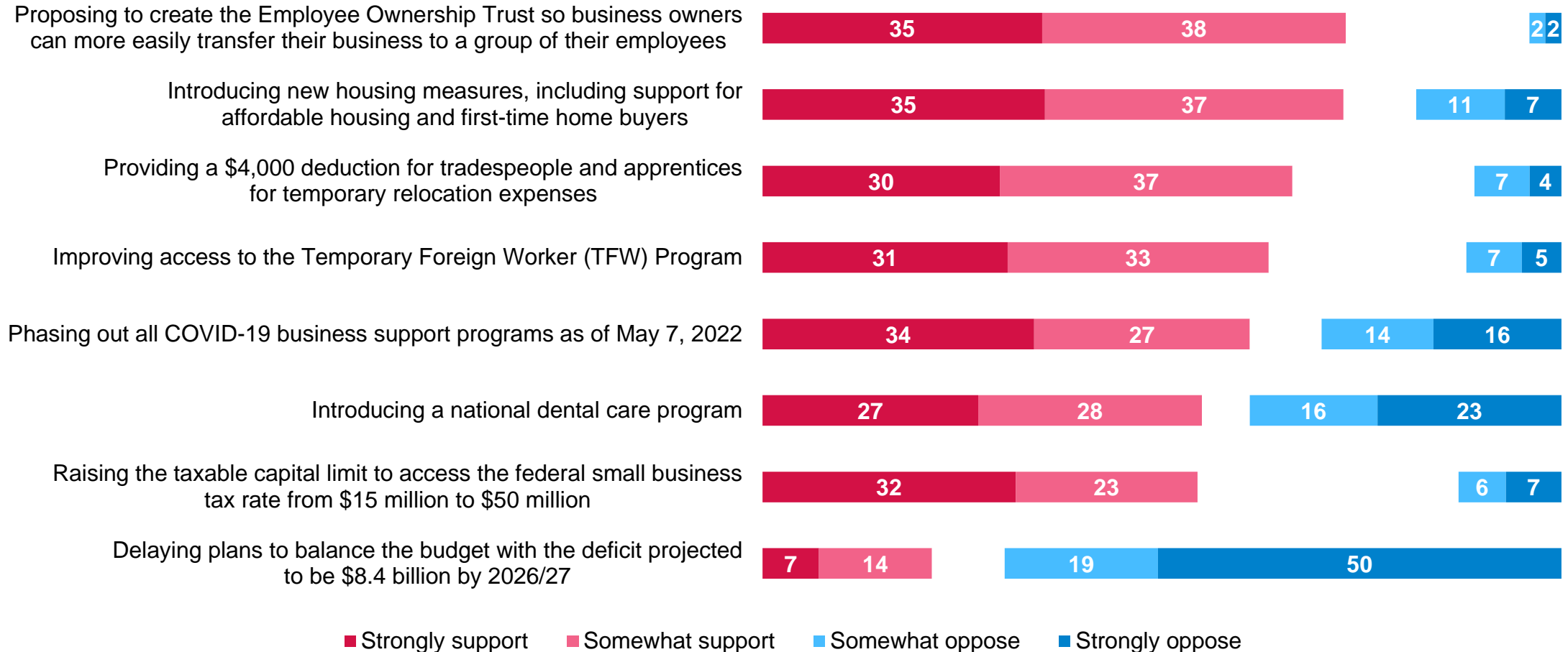
# Helpfulness of the measures announced in the 2022 federal budget according to small businesses

**76%** of business owners found the measures announced in the 2022 federal budget not helpful at all (36%) or not very helpful (40%). Only **15%** indicated they would be useful for their business.



Source: CFIB, Your Voice - April 2022 survey, April 8-12, 2022, preliminary results, n = 1,317.  
Question: How helpful will the measures announced in the 2022 federal budget be to your business?

# Level of support for different initiatives announced in the 2022 budget



Source: CFIB, Your Voice - April 2022 survey, April 8-12, 2022, preliminary results, n = between 1,294 and 1,305 per option.

Note: Not shown in the middle of the bars: shares of respondents indicating "Don't know/Unsure" and "Not applicable".

Question: Please indicate your level of support for each of the following elements that may impact your business that were announced in the 2022 federal budget.



# Changes to Temporary Foreign Worker Program

Changes include:

- Removal of the Refusal to Process policy.
  - This policy limited the ability of businesses in accommodation, food services and retail trade to access TFWs when the regional unemployment rate was more than 6%. **Effective April 30<sup>th</sup>.**
- For some sectors, such as Accommodation and Food Services, employers will be allowed to hire up to 30% of their workforce through the TFW Program for low-wage positions for one year.
  - All other employers will be allowed to hire up to 20% of their workforce through the TFW Program for low-wage positions until further notice, an increase from the former 10% cap for many employers. **Effective April 30<sup>th</sup>.**

# Changes to Temporary Foreign Worker Program (cont'd)

- Labour Market Impact Assessments (LMIA) will be valid for 18 months (up from 9 months)
  - This will reduce the potential for duplication of application and costs should an LMIA expire prior to a work permit being issued. **Effective immediately.**
- No longer a limit to the number of low-wage positions that employers in seasonal industries, can fill through the TFW Program
  - The maximum duration of these positions will be increased from 180 days to 270 days per year. **Effective immediately.**
- The maximum duration of employment for High-Wage and Global Talent Streams workers will be extended from two years to three years. **Effective immediately.**

# Federal COVID Programs Winding Down

**COVID Relief Programs** - Period ending May 7<sup>th</sup> will be final period for which you can apply. This includes:

- Tourism and Hospitality Recovery Program
- Hardest Hit Business Recovery Program
- Canada Recovery Hiring Program

**You will have up to 180 days after the end of a claim period to apply.**

- For period 28, which runs from April 10<sup>th</sup> to May 7<sup>th</sup> - you will have until November 3<sup>rd</sup>, 2022, to apply.
- You have until April 21<sup>st</sup>, 2022, to apply for period 21 which ran from Sept. 26 to Oct. 23<sup>rd</sup>, 2021.

# Federal COVID Programs Winding Down

## COVID Relief Programs - Other programs

- Canada Emergency Business Account (CEBA) ended June 30<sup>th</sup>, 2021
  - Program now fully closed - no further adjustments will be made
  - Collections of loans for those deemed not eligible will start soon (about 5% of all applicants)
- Highly Affected Sector Credit Availability Program (HASCAP) ended on March 31<sup>st</sup>, 2022.

**CFIB continues to call on government to help hard-hit small business with COVID-related debt relief. This could include:**

- increasing the forgivable portion of the CEBA loan
- extending the CEBA repayment deadline to end of 2024

# Upcoming

Webinar with Deputy Prime Minister and Finance Minister, Chrystia Freeland - Thursday, April 14<sup>th</sup> at 3pm EDT

You can still register, [here](#)





**CANADIAN FEDERATION  
OF INDEPENDENT BUSINESS**

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