

International Association of Machinists and Aerospace Workers



COVID 19—How to prioritize your bills when you can't pay them

Helping Hands

1. Food & prescribed medications:

At the top of the list is food and prescribed medications. You need money to buy food or you've got to come up with a way to get food

Feeding yourself and your family and staying healthy is the most important category in your budget. You've got to figure out how much food you need to live on and how you're going to pay for it.

Any cash you do have should be spent on food and prescribed medications before you move on to other bills

2. Housing

If You Have a Mortgage If you can afford to pay your mortgage you absolutely should do that.

If you know you'll be struggling to make your April or May payment, you've got to get in touch with your mortgage company immediately.

Stay in touch with them about your inability to make a mortgage payment. They'll advise you what to do and what kind of options are available to you, which may include deferring payments for several months.

Lenders are much more likely to work with borrowers who communicate with them about their circumstances early and often.

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If You Are a Renter

If you can't pay your rent, talk to your landlord ASAP. They may be willing to work with you on a plan. Also check with your Provincial Gov't to see if they are able to assist.

As you attempt to work with your landlord, keep an eye on reputable news sources both nationally and locally to see if any assistance is available

3. Transportation

Paying vehicle loans would follow housing.”

Again, if you can pay what's due on your car loan each month, pay it. If you find yourself short after you've taken care of your food and shelter, contact your lender as soon as possible to try and work out a payment plan. The big thing not to do is hide from this.

4. Utilities

You should still pay your utility bills if you can, but what do you do if you have spent all you have, and you still owe for power, water and internet?

There are not standardized policies from Province to province. Many provincial regulators have outlawed shutoffs for now for electricity , heat and water.

Again, don't ignore bills — stay in contact with each company if financial hardship puts you behind and you can't pay.

If you have an EAP committee in your workplace or Local Lodge they may be able to help you find the resources you need.

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What financial assistance is available?

Government Benefits

Rules have been amended to accommodate extraordinary circumstances and you will likely be able to arrange a plan with your bank, lenders, landlord and utility companies.

Benefits and Financial Assistance from the Government.

Apply for Unemployment Benefits.

Welfare or Temporary Assistance for Needy Families

<https://www.canada.ca/en/employment-social-development/corporate/portfolio/service-canada.html>

To help make sure that you and your family members are fully aware of these support provisions, I'd like to provide the following overview and links for each support measure to help clarify and simplify the process of applying for measures that fit your needs.

<https://www.canada.ca/en/department-finance/economic-response-plan.html>

1. Canada Child Benefit payments

- . \$2 billion in extra support is available for families.
- . \$300 top-up, per child, will be added to the May payment.

2. The Canada Emergency Response Benefit (CERB)

A taxable benefit of \$2,000 a month for up to 4 months to:

- workers who must stop working due to COVID19 and do not have access to paid leave or other income support.
- workers who are sick, quarantined, or taking care of someone who is sick with COVID-19.
- working parents who must stay home without pay to care for children that are sick or need additional care because of school and daycare closures.
- workers who still have their employment but are not being paid because there is currently not sufficient work and their employer has asked them not to come to work.
- wage earners and self-employed individuals, including contract workers, who would not otherwise be eligible for Employment Insurance.

The Canada Emergency Response Benefit will be accessible through a secure web portal starting in early April. Applicants will also be able to apply via an automated telephone line or via a toll-free number

<https://www.canada.ca/en/department-finance/economic-response-plan/>

NOTE: Each of the programs under EI has particular eligibility requirements. This program will be administered by the Canada Revenue Agency and further information will be provided. Keep checking the CRA website

3. Goods and Services Tax (GST) credit

. \$5.5 billion dollars to deliver a special top-up payment to individuals and families with low and modest incomes.

\$400 per individual or \$600 per couple.

As one-time special payment will be delivered by May 2020.

4. EI sickness benefits for workers

. Waiving the mandatory one-week waiting period for EI sickness benefits.

Waiving the requirement for a medical certificate to apply for EI sickness benefits.

You're eligible if you're:

A worker directed to quarantine or to self-isolate due to COVID-19.

5. Extend the tax filing deadline for individuals to June 1.

All taxpayers may defer, until after August 31, 2020, the payment of any income tax amounts that become owing on or after today and before September 2020. No interest or penalties will accumulate on these amounts during this period.

6. Payment deferral for homeowner/government-insured mortgage loans and relief on other credit products.

For borrowers in financial difficulties due to the COVID-19 pandemic.

Insurers will permit lenders to allow payment deferral beginning immediately.

A six-month payment deferral for mortgages, and the opportunity for relief on other credit products for personal and small business banking customers.

7. Registered Retirement Income Funds (RRIFs)

Reduce minimum withdrawals by 25% for 2020 in recognition of volatile market conditions and the impact on many seniors' retirement savings.

8. Canada Student Loan (CSL) payments

Initiation of a six-month long, interest-free period for all individuals who are actively repaying their CSL loans.

9. Indigenous Community Support Fund

\$305 million dollars to address immediate needs in First Nations, Inuit, and Métis Nation communities.

10. Support women and children fleeing violence

\$50 million dollars to women's shelters and sexual assault centers to help with their capacity to manage or prevent an outbreak in their facilities. This includes funding for facilities within Indigenous communities.

11. Reaching Home program

\$157.5 million dollars to address the needs of Canadians experiencing homelessness who would otherwise have limited access to preventative measures or supports for COVID-19.

12. Business Credit Availability Program

\$10 billion in credit support for small, medium, and large Canadian businesses.

For businesses experiencing cash flow challenges, support will be provided through the Business Development Bank of Canada and Export Development Canada.

14. Canada Emergency Response Benefit

Income support to workers who are furloughed.

This benefit will complement the wage subsidy and help both workers and employers avoid a formal layoff situation.

15. Flexibility to provide further support and stimulus to the Canadian economy, including:

Capacity for further financial support to businesses through EDC, BDC, and Farm Credit Canada.

Flexibility for the Canada Account to better support specific businesses and sectors.

Ability to give additional support to provinces and territories facing significant economic or financial distress.

16. Business Income Tax

Allow all businesses to defer, until after August 31, 2020, the payment of any business income tax amounts that become owing on or after today and before September 2020.

No interest or penalties will accumulate on these amounts during this period

- Aggressively pay down debt: Get serious about your bottom line. Make a plan to attack your debt.
- Avoid making large purchases with credit, if possible: If you can hold off, now's not the time to put yourself further into debt.

Now is the time to take action to protect yourself from the potential financial impacts of coronavirus — but you don't need to panic. Keeping a calm head in stressful situations is the key to making good decisions

NOTE: More measures are likely to be announced in the coming days and weeks, so stay tuned to reputable news sources and the government's official coronavirus site (cdc.gov) for the most up-to-date information.

Financial Preparedness

When it comes to your overall financial preparedness, these are the most important things to do right now because of the uncertainties involved:

- Reduce your discretionary spending: It's time to cut out extra spending. Use this guide to reduce your expenses.
- Get serious about your bottom line. Make a plan to attack your debt.
- • Avoid making large purchases with credit, if possible: If you can hold off, now's not the time to put yourself further into debt.
- Now is the time to take action to protect yourself from the potential financial impacts of coronavirus but you don't need to panic. Keeping a calm head in stressful situations is the key to making good decisions

<https://www.cdc.gov/coronavirus/2019-ncov/index.html>