



## LEGISLATIVE SUMMARY

# BILL C-13: AN ACT RESPECTING CERTAIN MEASURES IN RESPONSE TO COVID-19

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Any substantive changes in this Legislative Summary that have been made since the preceding issue are indicated in **bold print**.

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*Legislative Summary of Bill C-13*  
(Legislative Summary)

Publication No. 43-1-C13-E

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# CONTENTS

1	BACKGROUND .....	1
2	DESCRIPTION AND ANALYSIS .....	3
2.1	Part 1: Income Tax Measures.....	3
2.1.1	One-Time Additional Payment Under the Goods and Services Tax/Harmonized Sales Tax Credit.....	3
2.1.2	Temporary Additional Amounts Under the Canada Child Benefit .....	4
2.1.3	Reducing Required Minimum Withdrawals from Registered Retirement Income Funds.....	4
2.1.4	Providing Eligible Small Employers with a Temporary Wage Subsidy.....	5
2.2	Part 2: Enactment of the Canada Emergency Response Benefit Act.....	5
2.3	Part 3: Enactment of the Public Health Events of National Concern Payments Act .....	6
2.4	Part 4: Amendments to the <i>Canada Deposit Insurance Corporation Act</i> .....	7
2.5	Part 5: Amendments to the <i>Canada Mortgage and Housing Corporation Act</i> .....	7
2.6	Part 6: Amendments to the <i>Export Development Act</i> .....	8
2.7	Part 7: Amendments to the <i>Federal-Provincial Fiscal Arrangements Act</i> .....	9
2.8	Part 8: Amendments to the <i>Financial Administration Act</i> .....	9
2.9	Part 9: Amendments to the <i>Food and Drugs Act</i> .....	10
2.10	Part 10: Amendments to the <i>Canada Labour Code</i> .....	11
2.11	Part 11: Amendments to the <i>National Housing Act</i> .....	12
2.12	Part 12: Amendments to the <i>Patent Act</i> .....	12
2.13	Part 13: Amendments to the <i>Canada Student Loans Act</i> .....	13
2.14	Part 14: Amendments to the <i>Farm Credit Canada Act</i> .....	14
2.15	Part 15: Amendments to the <i>Canada Student Financial Assistance Act</i> .....	14
2.16	Part 16: Amendments to the <i>Business Development Bank of Canada Act</i> .....	14
2.17	Part 17: Amendments to the <i>Apprentice Loans Act</i> .....	15

2.18	Part 18: Employment Insurance.....	15
2.18.1	Division 1: Interim Orders.....	15
2.18.2	Division 2: Medical Certificates.....	16

## APPENDIX – ACRONYMS AND INITIALISMS

# LEGISLATIVE SUMMARY OF BILL C-13: AN ACT RESPECTING CERTAIN MEASURES IN RESPONSE TO COVID-19\*

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## 1 BACKGROUND

Bill C-13, An Act respecting certain measures in response to COVID-19 (short title: COVID-19 Emergency Response Act),<sup>1</sup> was introduced and read for the first time in the House of Commons on 24 March 2020, following extensive inter-party negotiations.<sup>2</sup> The bill received second reading, was referred to the Committee of the Whole, was concurred in at report stage, and received third reading the same day. On 25 March 2020, the bill was passed without amendment by the Senate, after consideration by the Committee of the Whole, and received Royal Assent that day.

As the bill's short and long titles indicate, the purpose of Bill C-13 is to implement measures to respond to coronavirus disease 2019 (COVID-19).

Bill C-13 has 18 parts:

- Part 1 implements certain income tax measures related to the goods and services tax/harmonized sales tax credit, the Canada Child Benefit and withdrawals from registered retirement income funds. It also provides eligible small employers with a temporary wage subsidy for a period of three months (clauses 2 to 7).
- Part 2 enacts the Canada Emergency Response Benefit Act to authorize the making of income support payments to workers who suffer a loss of income for reasons related to COVID-19 (clause 8).
- Part 3 enacts the Public Health Events of National Concern Payments Act, which temporarily authorizes payments in relation to public health events of national concern (clause 9).
- Part 4 amends the *Canada Deposit Insurance Corporation Act* to allow the Minister of Finance to increase the deposit insurance coverage limit until 30 September 2020 (clauses 12 to 15).
- Part 5 amends the *Canada Mortgage and Housing Corporation Act* to authorize the making of payments to the Canada Mortgage and Housing Corporation for the purpose of increasing its capital (clause 16).
- Part 6 amends the *Export Development Act* and provides for the suspension of certain provisions of the *Export Development Canada Exercise of Certain Powers Regulations* (clauses 17 to 21).

- Part 7 amends the *Federal-Provincial Fiscal Arrangements Act* to authorize additional payments to the provinces and territories for the fiscal year beginning on 1 April 2019 (clause 22).
- Part 8 amends the *Financial Administration Act* and makes related or consequential amendments to the *Borrowing Authority Act* and the *Canada Deposit Insurance Corporation Act* (clauses 23 to 32).
- Part 9 amends the *Food and Drugs Act* to, among other things, temporarily authorize the Governor in Council to make regulations to prevent shortages of therapeutic products in Canada or to alleviate those shortages or their effects, in order to protect human health (clauses 33 to 35).
- Part 10 amends the *Canada Labour Code* to, among other things, create a regime that provides for a leave related to COVID-19 of up to 16 weeks (clauses 36 to 46).
- Part 11 amends the *National Housing Act* to increase, for a period of five years, the maximum total for the outstanding insured amounts of all insured loans (clauses 47 to 50).
- Part 12 adds a time-limited provision to the *Patent Act* related to authorizations to make, construct, use and sell a patented invention to the extent necessary to respond to a public health emergency that is a matter of national concern (clause 51).
- Part 13 amends the *Canada Student Loans Act* to provide that, during the period from 30 March 2020 to 30 September 2020, no interest is payable by a borrower on a guaranteed student loan and no amount on account of principal or interest is required to be paid by the borrower (clause 52).
- Part 14 amends the *Farm Credit Canada Act* to authorize the Minister of Finance to determine the limit on the amounts that the Minister of Finance may pay to Farm Credit Canada out of the Consolidated Revenue Fund (clause 53).
- Part 15 amends the *Canada Student Financial Assistance Act* to provide that, during the period from 30 March 2020 to 30 September 2020, no interest is payable by a borrower on a student loan and no amount on account of principal or interest is required to be paid by the borrower (clause 54).
- Part 16 amends the *Business Development Bank of Canada Act* to authorize the Minister of Finance to determine the limit on the aggregate of the paid-in capital – and any related contributed surplus – of the Business Development Bank and any proceeds prescribed as equity (clause 55).
- Part 17 amends the *Apprentice Loans Act* to provide that, during the period from 30 March 2020 to 30 September 2020, no interest is payable by a borrower on an apprentice loan and no amount on account of principal or interest is required to be paid by a borrower (clause 56).



- Part 18, which is subdivided into two divisions, amends the *Employment Insurance Act*. Division 1 gives the Minister of Employment and Social Development the power to make interim orders for the purpose of mitigating the economic effects of COVID-19. Division 2 provides that references in the *Employment Insurance Act* and its regulations to prescribed medical certificates are deemed to be of no effect, and that any benefit that would have been payable to a claimant had such a certificate been issued may nonetheless be payable to the claimant (clauses 58 to 61).

This Legislative Summary provides a brief description of the main measures proposed in the bill by summarizing the substance of each part. For ease of reference, the information is presented in the same order as it appears in the summary of the bill.

## 2 DESCRIPTION AND ANALYSIS

### 2.1 PART 1: INCOME TAX MEASURES

#### 2.1.1 One-Time Additional Payment Under the Goods and Services Tax/Harmonized Sales Tax Credit

Clauses 2(1) and 2(3) of Bill C-13 add sections 122.5(3.001) and 122.5(4.1) to the *Income Tax Act* (ITA) to introduce a one-time additional non-taxable payment under the refundable goods and services tax/harmonized sales tax (GST/HST) credit. The amount of the additional payment depends on an individual's family income for the 2018 taxation year and the family's situation in May 2020 (or an earlier month specified by the Minister of National Revenue). This amount is determined by the following formula:

$$0.5(A - B):$$

“A” is the total of

- a) \$580 for the individual;
- b) \$580 for their cohabiting spouse, common-law partner or other “qualified relation”;<sup>3</sup>
- c) \$580 for an individual who has no cohabiting spouse, common-law partner or other qualified relation and can claim the “wholly dependent person” tax credit<sup>4</sup> under section 118(1)(b) of the ITA;
- d) \$306 for each eligible child (or other “qualified dependant”<sup>5</sup>), other than a qualified dependant in respect of whom an amount is included under (c);

- e) \$306 for an individual who has no cohabiting spouse, common-law partner or other “qualified relation” and has one or more qualified dependants (amount for a single-parent family); and
- f) the lesser of \$306 and 2% of the amount by which the individual’s income for the 2018 taxation year exceeds \$9,412, for an individual who has no cohabiting spouse, common-law partner or other “qualified relation” and no qualified dependant.

“B” is 5% of the amount, if any, by which the individual’s adjusted income for the taxation year in relation to the specified month exceeds \$37,789.

For example, a single person without children could receive a maximum additional payment of \$443, while a couple or a single-parent family could receive a payment of \$580 plus \$153 per eligible child.

Clause 2(2) adds section 122.5(3.02) to the ITA to specify that each shared-custody parent is entitled to one half of the additional payment calculated under new section 122.5(3.001) in respect of the children.

Clause 5 makes coordinating amendments to the tax assessment rules.

#### 2.1.2 Temporary Additional Amounts Under the Canada Child Benefit

Clause 3 adds section 122.61(1.01) to the ITA to introduce a non-taxable, one-time additional amount of \$300 per child eligible for the May 2020 Canada Child Benefit. Families already receiving the Canada Child Benefit will receive this additional amount without having to apply for it.

#### 2.1.3 Reducing Required Minimum Withdrawals from Registered Retirement Income Funds

Beneficiaries of a registered retirement income fund (RRIF) must begin annually withdrawing a minimum amount from their RRIF the year following the year the RRIF is established. The minimum annual withdrawal amount is calculated based on the beneficiary’s age at the time of withdrawal and the value of the assets held in the RRIF.

Clause 4 adds section 146.3(1.4) to the ITA to reduce the mandatory minimum RRIF withdrawal amount by 25% for 2020.<sup>6</sup>

Clause 4 also adds section 146.3(1.5) to specify that the 25% reduction in the amount of the mandatory minimum annual RRIF withdrawal does not apply for the purposes of the spousal income attribution rules under section 146.3(5.1) of the ITA, the withholding tax rules under section 153(1) of the ITA, and the definition of a “periodic pension payment” in section 5 of the *Income Tax Conventions Interpretation Act*.

Clause 7 adds section 8506(7.1) to the *Income Tax Regulations* to provide similar rules for beneficiaries of a defined contribution pension plan.



#### 2.1.4 Providing Eligible Small Employers with a Temporary Wage Subsidy

Clause 6 adds sections 153(1.02) to 153(1.04) to the ITA to provide eligible small employers with a temporary wage subsidy for the period from 18 March 2020 to 19 June 2020.

New section 153(1.02) sets out the formulas for calculating the amount of the temporary wage subsidy based on amounts to be prescribed by regulation.

According to the Canada Revenue Agency, the temporary wage subsidy will be equal to 10% of the remuneration paid by an eligible employer up to \$1,375 per employee and a maximum of \$25,000 total per employer.<sup>7</sup>

New section 153(1.03) of the ITA adds certain definitions applicable for the purposes of the temporary wage subsidy:

- An “eligible employee” must be employed in Canada.
- “Eligible remuneration” means salary, wages or other remuneration paid to an eligible employee during the “eligible period” beginning 18 March 2020 and ending 19 June 2020.
- An “eligible employer” means an individual, a partnership, a Canadian-controlled private corporation eligible for the small business deduction, a non-profit organization or a registered charity. Eligible employers must also have a business number in respect of which they are registered with the Minister of National Revenue to make remittances under section 153 of the ITA.

New section 153(1.04) provides that amounts deemed to have been remitted to the Receiver General under new section 153(1.02) are deemed to not be held in trust under sections 227(4) and 227(4.1) of the ITA.

#### 2.2 PART 2: ENACTMENT OF THE CANADA EMERGENCY RESPONSE BENEFIT ACT

Clause 8 enacts a new Canada Emergency Response Benefit Act (CERBA) to provide income support to workers who have lost income due to the COVID-19 pandemic.

Section 2 of CERBA outlines the applicable definitions, specifying that “worker” means a person who is at least 15 years of age, is resident in Canada, and has earned at least \$5,000, or an amount set by regulation under section 3, in the previous 12 months from employment, self-employment, prescribed Employment Insurance benefits or provincial allowances for pregnancy or the care of one or more new-born or adopted children.

Section 4 stipulates that the Minister of Employment and Social Development must make income support payments to eligible workers who have made an application. Section 5 specifies that the payments are for any four-week period from 15 March 2020 to 3 October 2020.

Eligibility criteria are outlined in section 6, such that a worker, whether employed or self-employed, must have ceased working for at least 14 consecutive days within the four-week period for reasons related to COVID-19. Workers are not eligible if they quit voluntarily or if they received, subject to regulations, income during the period from employment or self-employment, Employment Insurance benefits or provincial allowances for pregnancy or the care of one or more new-born or adopted children.

Under section 7, the minister may set the amount of income support payments by regulation, as well as distinguish among different classes of workers. Section 8 provides that income support payments may be made for a maximum of 16 weeks, unless otherwise specified in regulations.

Sections 9 and 10 allow for the collection and use of information and documents to assist in the administration and enforcement of CERBA. According to the government's Charter Statement on Bill C-13, "[i]nformation will only be collected for the limited administrative purpose of verifying information received when workers applied for the payments, as well as preventing non-compliance."<sup>8</sup>

Clause 11 prevents the income support payments from being used in bankruptcy or insolvency proceedings; given as a security, retained by way of deduction, set-off or compensation under any Act of Parliament other than CERBA; or being garnished for the purposes of the *Family Orders and Agreements Enforcement Assistance Act*.

Section 12 outlines conditions for the return of erroneous payments or overpayments.

Section 13 provides a six-year limitation period on actions taken to recover monies owing and allows for the recovery of monies owing by way of deduction, set-off or compensation against any sum of money that may be due or payable by Her Majesty in right of Canada to the person other than an amount payable under section 122.61 of the ITA, which is related to the Canada Child Benefit.

Section 14 specifies that no interest is payable on any amount owing.

## 2.3 PART 3: ENACTMENT OF THE PUBLIC HEALTH EVENTS OF NATIONAL CONCERN PAYMENTS ACT

Clause 9 enacts a new Public Health Events of National Concern Payments Act (PHENCPA) to authorize payments in relation to certain public health events.

Under section 2(1) of the PHENCPA, if, after consulting with the Chief Public Health Officer and provincial and territorial officers occupying a similar position, the Minister of Health determines that there is a public health event of national concern, the federal government may make payments of all money required to do anything in relation to that event.

Section 2(2) provides examples of measures that may be taken in relation to these events, including acquiring medical supplies; providing assistance to provinces and territories to help cover the cost of safety and emergency response needs; providing income support to workers; and funding public health-related programs or expenses incurred by federal departments and agencies.

Section 2(3) defines a “public health event of national concern” as an extraordinary event that constitutes a public health risk to Canadians through the spread of an infectious disease, such as COVID-19, and that requires a coordinated national or international response.

Together, clauses 10 and 11 repeal the PHENCPA as of 30 September 2020.

#### 2.4 PART 4: AMENDMENTS TO THE *CANADA DEPOSIT INSURANCE CORPORATION ACT*

Clauses 12 and 13 amend section 12 of the *Canada Deposit Insurance Corporation Act* and add new section 12.01 to give the Minister of Finance the power to increase the insurance coverage limit for deposits with member institutions beyond the current \$100,000 limit. The Minister of Finance is required to publish the new limit in the *Canada Gazette* as soon as feasible after making the change. Clauses 14 and 15 eliminate this new power on 1 October 2020, at which point the limit will again be set at \$100,000.

#### 2.5 PART 5: AMENDMENTS TO THE *CANADA MORTGAGE AND HOUSING CORPORATION ACT*

Clause 16 creates sections 16(1) and 16(2) of the *Canada Mortgage and Housing Corporation Act* (CMHCA) to authorize the Minister of Finance, with the approval of the Governor in Council, to make payments to the Canada Mortgage and Housing Corporation (CMHC) out of the Consolidated Revenue Fund for the purpose of increasing the Corporation’s capital.

Section 16(1) of the CMHCA states that the capital of the CMHC consists of adding \$25 million to the aggregate of any amount paid under section 16(2), whereas the capital was previously \$25 million or such greater amount as may be determined by the Governor in Council.

Section 16(2) of the CMHCA allows the Minister of Finance to make additional capital payments to the CMHC from the Consolidated Revenue Fund with the approval of the Governor in Council. These amounts cannot exceed \$10 billion; however, this total may be increased by an amount authorized under an appropriation Act.

## 2.6 PART 6: AMENDMENTS TO THE *EXPORT DEVELOPMENT ACT*

Clause 17 amends section 10 of the *Export Development Act* (EDA) to add supporting and developing – directly and indirectly – domestic business to the purposes of Export Development Canada (EDC). EDC must provide this support and development at the request of – and for a period specified by – the Minister of Small Business, Export Promotion and International Trade and the Minister of Finance, and in a manner that complements the products and services available to domestic business from commercial financial institutions and commercial insurance providers. As soon as feasible, the Minister of Small Business, Export Promotion and International Trade must publish in the *Canada Gazette* a notice of such a request that stipulates the dates on which the period to which the request refers begins and ends.

Clause 17 also permits the Minister of Finance to determine or to re-determine after that first determination, until 30 September 2020, the maximum amount of EDC's contingent liability relating to its provision of insurance, reinsurance, indemnities and guarantees. The maximum amount is currently the greater of 10 times EDC's authorized capital or \$45 billion. The Minister of Finance must publish a notice to that effect in the *Canada Gazette* as soon as feasible.

Clause 18 amends section 11(1) of the EDA to permit the Minister of Finance to determine or re-determine, until 30 September 2020, the amount of EDC's authorized capital, with each share having a par value of \$100. EDC's authorized capital is currently \$3 billion divided into 30 million shares that have a par value of \$100 each. The Minister of Finance must publish a notice to that effect in the *Canada Gazette* as soon as feasible.

Clause 19 amends section 23(1) of the EDA to expand EDC's ability to enter into certain types of transactions that are financed by the Consolidated Revenue Fund. Specifically, it permits the Minister of Small Business, Export Promotion and International Trade, if that minister is of the opinion that it is in the national interest to do so and with the consent of the Minister of Finance, to authorize such transactions if they are among the transactions that EDC has the authority to enter into under section 10(1.1) of the EDA.

Clause 20 amends section 24 of the EDA to permit the Minister of Finance to determine or re-determine, until 30 September 2020, the maximum amount of EDC's obligations and contingent liabilities in respect of transactions entered into by EDC under section 23 of the EDA, which is currently \$20 billion. As soon as an amount has been determined or re-determined, the Minister of Finance must publish a notice to that effect in the *Canada Gazette*.

Clause 21 suspends certain provisions of the *Export Development Canada Exercise of Certain Powers Regulations* (EDCECPR). During – and in some cases after – the specified period of time for such a request stipulated in clause 17, sections 5(2), 6(2) and 6(3) of the EDCECPR, which deal with the approval of certain domestic transactions that involve EDC, do not apply. EDC may also take any steps and do anything that it considers necessary or desirable to implement transactions or arrangements related to such a request.

**2.7 PART 7: AMENDMENTS TO THE *FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS ACT***

On 11 March 2020, the prime minister announced \$500 million in payments to provinces and territories for critical health care needs and to support mitigation efforts, as needed.<sup>9</sup>

To put this into effect, clause 22 amends the *Federal-Provincial Fiscal Arrangements Act* by adding section 24.71 to authorize a total of \$500 million in special cash payments to the provinces and territories in fiscal year 2019–2020.

**2.8 PART 8: AMENDMENTS TO THE *FINANCIAL ADMINISTRATION ACT***

Part 8 makes a number of amendments to the *Financial Administration Act* (FAA).

Clause 24 amends the FAA to authorize the Minister of Finance to undertake borrowing without Governor in Council approval, provided the monies borrowed are required under any Act of Parliament or are for extraordinary circumstances, including in the event of a natural disaster or to promote and maintain the stability of the financial system in Canada. This authority is in effect until 30 September 2020. Under clause 23 of the bill, the funds borrowed are excluded from the borrowing limits set out by the Governor in Council.

Clauses 25 and 26 amend the reporting timelines in the FAA. Clause 25 specifies that the Minister of Finance shall table a report on the funds to be borrowed and the management of the debt in that fiscal year within 30 sitting days after the start of the fiscal year. Clause 26 specifies that the Minister of Finance shall table a report on the funds borrowed in respect of extraordinary circumstances within 30 sitting days after the Minister borrows the funds.

Clause 27 authorizes the Minister of Finance to make payments to provinces and territories or, after consultation with a province or territory, to an “entity” for the purposes of responding to a situation of significant and systemic economic and financial distress.

If, in the Minister of Finance's opinion, it is necessary to promote the stability or maintain the efficiency of the financial system in Canada, clause 28 authorizes the minister to procure the incorporation of a corporation in which the government holds all of the shares. For example, the Minister of Finance may set up holding companies to purchase assets of financial institutions or other companies.

The minister may make regulations concerning the governance of the corporation so created. The minister may give it directives, make payments to it, lend it money and dissolve it. The minister may also establish an entity, other than a corporation, and make payments to it.

Clauses 29, 30 and 31 make related amendments to the *Borrowing Authority Act* such that the borrowings noted in clause 24 are excluded from the borrowing limits set out in that Act.

Clause 32 makes a consequential amendment the *Canada Deposit Insurance Corporation Act* to take into account a renumbering of FAA sections outlined in clause 27.

## 2.9 PART 9: AMENDMENTS TO THE *FOOD AND DRUGS ACT*

Part 9 makes changes to the *Food and Drugs Act* (FDA) to include two new regulation-making authorities under section 30 and to amend section 37(1.2). New section 30(1)(k.2) authorizes the Governor in Council to make regulations requiring any person to provide any information to the Minister of Health that the minister has determined is necessary pertaining to food, drugs, devices or cosmetics under circumstances not otherwise addressed under the FDA. The minister may also determine the information to be provided and the timeframe and manner in which it is to be provided. New section 30(1.4) authorizes the Governor in Council to make regulations for preventing or alleviating shortages of therapeutic products in order to protect human health.

Amended section 37(1.2) no longer lists specific activities associated with food, drugs, devices and cosmetics for which exported products must comply with regulations. Section 37(1.2) now simply states that exported food, drugs, devices and cosmetics must comply with regulations. In addition, whereas section 37(1.2) previously applied to any *packaged* food, drug, cosmetic or device, the application of amended section 37(1.2) has been expanded to include *any* food, drug, cosmetic or device (as defined in the FDA).

Additional language stipulates that these changes are designed to be temporary and that the FDA will revert to its previous version on 1 October 2020.



2.10 PART 10: AMENDMENTS TO THE *CANADA LABOUR CODE*

Part 10 of Bill C-13 makes changes to employee leave provisions under Part III of the *Canada Labour Code* (CLC) in relation to COVID-19. Part III of the CLC sets out the federal labour standards that apply to employees and employers in works, undertakings or businesses under the legislative authority of the Parliament of Canada. It does not, however, apply to federal public service employees.

Clause 36 of the bill adds section 168.1 to the CLC to waive the requirement for a certificate from a health care practitioner for employees taking medical leave, compassionate care leave or leave related to critical illness. The requirement to provide documentation in support of the reasons for the leave or change in the length of leave is also waived. These are temporary measures in place until 30 September 2020.

Clause 41 of the bill adds section 239(1.1) to the CLC to allow employees to take a medical leave of absence of up to 16 weeks as a result of quarantine. Currently, under Part III of the CLC, employees are entitled to medical leave as a result of personal illness or injury, organ or tissue donation, or medical appointments during working hours.

Clause 42 of the bill adds Division XIII.01 to the CLC (sections 239.01(1) to 239.01(13)) to provide for a specific leave related to COVID-19. Under the new provisions, employees are entitled to up to 16 weeks of leave (or to another number of weeks if fixed by regulation) if they are unable or unavailable to work for reasons related to COVID-19. Employees must give written notice to their employer regarding the reasons for the leave and the length of the leave.

While on leave related to COVID-19, employees are entitled, upon written request, to be informed about any employment, promotion or training opportunities for which they are qualified. Employee benefits (including pension, health and disability benefits), as well as seniority, continue to accumulate during the leave period, provided the employee and employer pay any normally required contributions.

For their part, employers are prohibited from dismissing, suspending, laying off, demoting or disciplining employees for taking this leave. However, employees may be assigned to a different position upon their return from their leave related to COVID-19 if they are unable to perform the work they did prior to their absence.

Clauses 37 to 40 of the bill amend various provisions of Part III of the CLC to extend existing protections to employees so that they can take leave related to COVID-19 or medical leave as a result of quarantine. These protections include

- interrupting or postponing a vacation;
- interrupting parental leave, compassionate care leave, leave related to critical illness, or leave related to death or disappearance; and
- extending the length of the period during which parental leave may be taken.

Further, clauses 43 to 45 of the bill set up a scheme that amends section 246.1(1)(a) of the CLC (in coordination with the coming into force of consequential amendments to the relevant provisions from *Budget Implementation Act, 2018, No. 2*) to allow employees to make a written complaint if they believe their employer has acted against them in contravention of their entitlement to leave related to COVID-19. Similar protections already exist in relation to medical leave and other employee rights under the CLC.

Clause 46 of the bill provides for the repeal of all the provisions concerning the new leave in the CLC related to COVID-19 on 1 October 2020. According to Employment and Social Development Canada, this leave may be used by employees while they are quarantined, self-isolating or unable to work for other reasons related to COVID-19.<sup>10</sup>

Upon this repeal, the regime setting out the medical leave of absence as a result of quarantine will come into force, in accordance with clause 46. As explained above, current medical leave provisions do not include quarantine as one of the grounds for the leave.

## 2.11 PART 11: AMENDMENTS TO THE *NATIONAL HOUSING ACT*

Section 11 of the *National Housing Act* (NHA) currently stipulates that the total of the outstanding insured amounts of all insured loans may not exceed the sum of the following amounts:

- (a) one hundred and fifty billion dollars, and
- (b) any additional amounts authorized by Parliament under an appropriation Act or other Act of Parliament on or after April 1, 1997.

Clause 47(1) of Bill C-13 amends section 11(a) of the NHA so that the total of the outstanding insured amounts of all insured loans may not exceed the sum of \$300 billion and any additional amounts authorized by Parliament under an appropriation Act or other Act of Parliament on or after 1 April 1997. Clause 48 adds section 11.1, which sets the maximum total of the outstanding insured amounts of all insured loans at \$750 billion.

Clauses 47(2) and 49 provide for the repeal of these changes five years after their coming into force (clause 50). The original provisions are then reinstated.

## 2.12 PART 12: AMENDMENTS TO THE *PATENT ACT*

The *Patent Act* allows the Commissioner of Patents (the commissioner) to approve or deny an application by a Canadian government to use a patented invention without the permission of the patentee.<sup>11</sup> Part 12 of the bill requires the commissioner, on the application of the Minister of Health, to grant such authorization to respond to a public health emergency.

More specifically, clause 51 of the bill adds section 19.4 to the *Patent Act* to require the commissioner to authorize the federal government, or a person designated by the federal government, to make, construct, use and sell an invention in order to respond to a public health emergency without the permission of the patentee. The patentee shall not have any legal recourse to stop the use or sale of an invention made or constructed under such an authorization.

In order for this authorization to be granted, the Minister of Health must submit to the commissioner an application that

- provides the name of the patentee and the registration number of the patent granted by the Patent Office for the invention;
- includes a confirmation that the Chief Public Health Officer believes that there is a public health emergency that is a matter of national concern;
- includes a description of the public health emergency; and
- designates a person, if any, that will be authorized to make, construct, use and sell the patented invention to respond to the public health emergency.

The authorization lasts until the day on which the Minister of Health notifies the commissioner that the authorization is no longer necessary or, at the latest, a year after the day on which the authorization is granted.

The federal government does not have the power to transfer the authorization and has to pay the patentee any remuneration that the commissioner finds adequate in the circumstances. The patentee can petition the Federal Court to stop anyone from using the invention if there is an inconsistency with the authorization.

Section 19.4 of the *Patent Act* adds a sunset provision providing that the commissioner does not have the power to authorize the federal government to make use of a patented invention under this section after 30 September 2020.

## 2.13 PART 13: AMENDMENTS TO THE *CANADA STUDENT LOANS ACT*

Clause 52 of the bill adds section 11.2 to the *Canada Student Loans Act*, which governs the provision of loans issued to students up to 1 August 1995.<sup>12</sup> The new section stipulates that, from 30 March 2020 to 30 September 2020, no interest is payable by a borrower on guaranteed student loans. It also provides that, during this period, no amount on account of principal or interest in respect of a guaranteed student loan is required to be paid by the borrower.

2.14 PART 14: AMENDMENTS TO THE *FARM CREDIT CANADA ACT*

Clause 53(1) of Bill C-13 amends section 11(1) of the *Farm Credit Canada Act* (FCCA)<sup>13</sup> to replace the maximum amount of \$1.25 billion that can be paid under the current law to Farm Credit Canada (FCC) from the Consolidated Revenue Fund at the FCC's request by the Minister of Finance. With this amendment, the minister can determine and re-determine the maximum amount paid to the FCC for the period until 30 September 2020. As of 1 October 2020, the maximum amount that can be paid to the FCC will be the last amount determined by the minister before that date. The Minister of Finance must announce the new amount in the *Canada Gazette* as soon as feasible after the amount has been determined or re-determined.

Clause 53(2) makes wording changes to the French version of the law to clarify the capital of the Corporation.

Clause 53(3) removes the requirement that increases in the amount paid to FCC be referred to a parliamentary committee reviewing matters relating to agriculture.

In a news release,<sup>14</sup> the prime minister announced that the FCC will receive financial support from the Government of Canada to increase the FCC's lending capacity by \$5 billion to help producers, agribusinesses and food processors manage the financial difficulties caused by the impacts of the COVID-19 pandemic.

2.15 PART 15: AMENDMENTS TO THE *CANADA STUDENT FINANCIAL ASSISTANCE ACT*

Clause 54 of the bill adds section 9.3 to the *Canada Student Financial Assistance Act* (CSFAA), which governs the provision of student loans issued as of 1 August 1995.<sup>15</sup> This new section provides for the suspension of interest and payments on student loans. It stipulates that, from 30 March 2020 to 30 September 2020, no interest is payable by a borrower on student loans. It also provides that, during this period, no amount on account of principal or interest in respect of a student loan is required to be paid by the borrower.

These amendments apply to both full-time and part-time students, as well as to individuals with severe permanent disabilities and, in the case of the death of a borrower, as provided for in the regulations made under the CSFAA.

2.16 PART 16: AMENDMENTS TO THE *BUSINESS DEVELOPMENT BANK OF CANADA ACT*

Section 23(1) of the *Business Development Bank of Canada Act* (BDCA) states that the authorized capital of the Business Development Bank of Canada consists of an unlimited number of common shares with a par value of \$100 per share and an unlimited number of preferred shares without par value. That said, the paid-in capital of

the Bank, together with any contributed surplus relating to it and any proceeds referred to in section 30(2)(d) of the BDCA – proceeds of debt instruments, hybrid capital instruments or other arrangements – that have been prescribed as equity, must not exceed \$4.5 billion at any time. Prior to December 2017, this limit was set at \$3.0 billion.

Clause 55 of Bill C-13 amends section 23(1) so that this limit is, until 30 September 2020, to be determined or re-determined by the Minister of Finance. The minister is required to publish in the *Canada Gazette* the determined or re-determined amount as soon as feasible. As of 1 October 2020, this limit becomes the last amount determined before that date, and the minister may not determine a new amount.

## 2.17 PART 17: AMENDMENTS TO THE *APPRENTICE LOANS ACT*

Clause 56 of the bill makes an addition to section 8 of the *Apprentice Loans Act*, which specifies the conditions for interest-free and deferral periods on apprentice loans. New section 8.1 of the *Apprentice Loans Act* stipulates that, for the period that begins on 30 March 2020 and ends on 30 September 2020, no interest is payable by borrowers on apprentice loans. Further, during this period, no amount on account of principal or interest in respect of an apprentice loan is required to be paid by the borrower.

## 2.18 PART 18: EMPLOYMENT INSURANCE

### 2.18.1 Division 1: Interim Orders

Part 18, Division 1 of the bill amends the *Employment Insurance Act* (EIA) to allow the Minister of Employment and Social Development to make interim orders to mitigate the economic effects of COVID-19.

Clause 57 adds Part VIII.3, “Interim Orders,” to the EIA. This includes new sections 153.3 and 153.4. New section 153.3 permits the minister to make interim orders that adapt existing provisions of the EIA or its regulations, add provisions to the EIA or its regulations (including provisions that create new benefits), or render provisions partly or entirely inapplicable.

Section 153.3 also establishes conditions, exceptions and restrictions on the minister’s power to make the interim orders described above. An interim order may not be made in respect of Part IV or Part VII of the EIA – which pertain to insurable earnings and collection of premiums, and to benefit repayment, respectively – or in respect of regulations made under those parts.

An interim order may not be made without the consent of the Minister of Finance. An interim order relating to Part III of the EIA – which pertains to premiums and other financial matters – or to its regulations, also requires the consent of the President of the Treasury Board. In addition, the Minister of Employment and Social Development may choose to consult with the Canada Employment Insurance Commission before making an interim order.

An interim order must include provisions for any adaptations or added provisions to the EIA and its regulations to cease to apply on the earliest of: the day specified by the interim order, if any; the day the interim order is repealed; or the Saturday after the first anniversary of the day on which the interim order takes effect.

If an interim order or an added provision states that it applies despite any provision in the EIA or its regulations, then the interim order or added provision will prevail in the event that it conflicts with any provision of the EIA or its regulations.

The power to make an interim order cannot be exercised after 30 September 2020; however, interim orders can be made to apply retroactively.

Section 153.4 allows the minister to make orders to ensure that the interim orders have a temporary effect, including through the repeal of any added provisions.

#### 2.18.2 Division 2: Medical Certificates

Part 18, Division 2 of the bill temporarily eliminates requirements for medical certificates under the EIA and its regulations.

Clause 58 provides that claimants are no longer required to provide a certificate issued by a medical doctor or other medical professional or medical practitioner, or by a nurse practitioner, where it was previously required to obtain a benefit. Any benefit that would have been payable to a claimant if such a certificate had been provided is payable as long as the Canada Employment Insurance Commission is satisfied that the claimant is eligible.

Clause 58 further stipulates that these measures will remain in effect until 30 September 2020, and clauses 59 and 61 specify that the relevant provisions will be repealed on 1 October 2020.

For claimants whose benefit period begins before 1 October 2020, however, the medical certificate exemption will continue to apply, as stipulated by clause 60 of the bill.<sup>16</sup>



## NOTES

- \* This Legislative Summary was prepared by the following authors:
- Bashar Abu Taleb                      Section [2.6](#)
  - Andrew Barton                        Sections [2.5](#) and [2.11](#)
  - Sylvain Fleury                        Sections [2.1.1](#) to [2.1.4](#)
  - Eleni Kachulis                        Sections [2.13](#), [2.15](#), [2.17](#) and [2.18](#)
  - Natacha Kramski,  
Corentin Bialais and  
Joanne Markle LaMontagne      Section [2.14](#)
  - Cynthia Kirkby                        “[Background](#)” section
  - Michaël Lambert-Racine            Sections [2.4](#) and [2.16](#)
  - Francis Lord                         Section [2.12](#)
  - Sonya Norris                         Section [2.9](#)
  - Mayra Perez-Leclerc                Section [2.10](#)
  - Alex Smith                            Sections [2.2](#), [2.3](#), [2.7](#) and [2.8](#)
1. [Bill C-13, An Act respecting certain measures in response to COVID-19](#), 1<sup>st</sup> Session, 43<sup>rd</sup> Parliament (S.C. 2020, c. 5).
  2. See, for example, Peter Mazereeuw, “[COVID-19 bailout bill passes after late-night negotiations on new government powers](#),” *Hill Times*, 25 March 2020.
  3. The definition of “qualified relation” is found in section 122.5 of the [Income Tax Act](#) [ITA], R.S.C. 1985, c. 1 (5<sup>th</sup> Supp.).
  4. The definition of “wholly dependent person” is found in section 118(1)(b) of the ITA.
  5. The definition of “qualified dependant” is found in section 122.5 of the ITA.
  6. The minimum withdrawal amount is based on the factors prescribed in sections 7308(3) and 7308(4) of the [Income Tax Regulations](#), C.R.C., c. 945.
  7. Government of Canada, “[5. How much is the subsidy?](#),” *FAQ – Temporary wage subsidy for employers: CRA and COVID-19*.
  8. Department of Justice, [Charter Statement: An Act respecting certain measures in response to COVID-19 \(C-13\)](#), 24 March 2020.
  9. Justin Trudeau, Prime Minister of Canada, “[Prime Minister outlines Canada’s COVID-19 response](#),” News release, 11 March 2020.
  10. Employment and Social Development Canada, “Temporary measures under Part III of the *Canada Labour Code*: Leave related to COVID-19 (new as of March 25, 2020),” [Labour Program and federally regulated workplaces – COVID-19](#).
  11. [Patent Act](#), R.S.C. 1985, c. P-4, ss. 19–19.3.
  12. Government of Canada, [Acts and Regulations: Student Financial Assistance](#).
  13. [Farm Credit Canada Act](#), S.C. 1993, c. 14.
  14. Justin Trudeau, Prime Minister of Canada, “[Prime Minister announces support for farmers and agri-food businesses under Canada’s response to COVID-19](#),” News release, 23 March 2020.
  15. Government of Canada, [Acts and Regulations: Student Financial Assistance](#).
  16. The benefit period is the period during which benefits may be paid to claimants who qualify to receive them. Generally, this is a 52-week period. This does not mean that benefits will be paid every week, but rather that the benefits for which the claimant qualifies must be paid during this period. See [Employment Insurance Act](#), S.C. 1996, c. 23, s. 9.

## APPENDIX – ACRONYMS AND INITIALISMS

Title	Acronym or Initialism
<i>Business Development Bank of Canada Act</i>	BDCA
<i>Canada Emergency Response Benefit Act</i>	CERBA
<i>Canada Labour Code</i>	CLC
Canada Mortgage and Housing Corporation	CMHC
<i>Canada Mortgage and Housing Corporation Act</i>	CMHCA
<i>Canada Student Financial Assistance Act</i>	CSFAA
Coronavirus disease 2019	COVID-19
<i>Employment Insurance Act</i>	EIA
<i>Export Development Act</i>	EDA
Export Development Canada	EDC
<i>Export Development Canada Exercise of Certain Powers Regulations</i>	EDCECPR
Farm Credit Canada	FCC
<i>Farm Credit Canada Act</i>	FCCA
<i>Financial Administration Act</i>	FAA
<i>Food and Drugs Act</i>	FDA
Goods and Services Tax/Harmonized Sales Tax	GST/HST
<i>Income Tax Act</i>	ITA
<i>National Housing Act</i>	NHA
<i>Public Health Events of National Concern Payments Act</i>	PHENCPA
Registered Retirement Income Fund	RRIF