



COVID-19 — Quebec to Reimburse Training Expenses

April 8, 2020
No. 2020-37

Employers with employees in Quebec may be eligible for a new grant program to help cover the cost of training activities during the COVID-19 pandemic. Quebec announced on April 6, 2020 that it will reimburse up to \$100,000 of employer's eligible training expenses where their normal operations have been disrupted by COVID-19 under the new Concerted Actions Program for the Maintenance in Employment (PACME).

Background

Quebec recently announced new tax and fiscal measures for individuals and corporations affected by COVID-19. Among other changes, Quebec said it will harmonize with federal measures and extend the filing deadline for individual income tax returns to June 1, 2020 (from April 30, 2020) and for certain trusts to May 1, 2020 (from March 30, 2020). In addition, Quebec said it will extend the payment deadline for a corporation that would otherwise have to pay an instalment or whose tax due date is between March 17, 2020 and August 31, 2020 to September 1, 2020. Quebec further stated that it will harmonize with the federal government concerning its measure to reduce by 25% in 2020 the amount of mandatory withdrawal from a registered retirement income fund (RRIF).

Training expense reimbursement

According to Quebec, the new PACME program will provide grants of 100% for eligible training expenses up to \$100,000 per eligible employers to help cover the costs of training activities. To qualify, these employers must have been affected by COVID-19 by suspending their normal operations, experiencing a decline or increase in operations, or diversifying their activity.

Under this program, Quebec will generally reimburse eligible training expenses, which include:

- Employees' wages during eligible training, up to a maximum of \$25 per hour. More specifically:
 - Employers that receive the 75% Canada Emergency Wage Subsidy will be eligible to receive 25% of the employee's wage
 - Employers that receive the 10% temporary wage subsidy will be eligible to receive 90% of the employee's wage
 - Employers will be reimbursed 100% of wages during eligible training provided if they do not also receive wage subsidies included in the federal COVID-19 response.
- Up to 100% of eligible training and human resources management expenses, depending on the applicable schedules (e.g., professional fees).

To be eligible for the reimbursement, employers must offer training such as:

- Basic employee training
- Francization
- Digital skills training
- Continuing education related to the activities of the company, regardless of whether it is directly related to the employee's position
- Training recommended by a professional association
- Training necessary to resume business activities
- Training related to a strategic adjustment or modification of the enterprise's activities to maintain or diversify the activities in light of the economic uncertainty due to COVID-19 (e.g., health, telecommuting)
- Training for retention of employees.

The program is effective on April 6, 2020, and will end either on September 30, 2020, or when the program's \$100 million budget is exhausted.

Stay connected on the latest COVID-19 developments

We continue to watch tax and legal issues related to the evolving COVID-19 situation and will provide further information as it becomes available. For the latest developments, see our dedicated COVID-19 site, [The Business Implications of Coronavirus](#).

We can help

Your KPMG advisor can help you assess how COVID-19 may affect your tax obligations. We can also keep you abreast of any tax-related changes related to COVID-19 that you'll need to consider in the days and weeks ahead.

kpmg.ca



[Contact Us](#) | [KPMG in Canada Privacy Policy](#) | [KPMG On-Line Privacy Policy](#) | [Legal](#)

Information is current to April 7, 2020. The information contained in this *TaxNewsFlash-Canada* is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2020 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International.