



LEGISLATIVE SUMMARY

BILL C-14: AN ACT TO IMPLEMENT CERTAIN PROVISIONS OF THE ECONOMIC STATEMENT TABLED IN PARLIAMENT ON NOVEMBER 30, 2020 AND OTHER MEASURES

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Legislative Summary of Bill C-14
(Legislative Summary)

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CONTENTS

1	BACKGROUND	1
2	DESCRIPTION AND ANALYSIS.....	2
2.1	Part 1: Amendments to the <i>Income Tax Act</i> and the <i>Children's Special Allowances Act</i> (Clauses 2 to 5).....	2
2.2	Part 2: Amendments to the <i>Canada Student Loans Act</i> (Clause 6)	3
2.3	Part 3: Amendments to the <i>Canada Student Financial Assistance Act</i> (Clause 7)	3
2.4	Part 4: Amendments to the <i>Apprentice Loans Act</i> (Clause 8)	3
2.5	Part 5: Amendments to the <i>Food and Drugs Act</i> (Clauses 9 to 11).....	3
2.6	Part 6: Payments from the Consolidated Revenue Fund (Clauses 12 to 14).....	4
2.7	Part 7: Amendments to the <i>Borrowing Authority Act</i> (Clauses 15 to 19).....	5



LEGISLATIVE SUMMARY OF BILL C-14: AN ACT TO IMPLEMENT CERTAIN PROVISIONS OF THE ECONOMIC STATEMENT TABLED IN PARLIAMENT ON NOVEMBER 30, 2020 AND OTHER MEASURES

1 BACKGROUND

Bill C-14, An Act to implement certain provisions of the economic statement tabled in Parliament on November 30, 2020 and other measures (short title: Economic Statement Implementation Act, 2020),¹ was introduced in the House of Commons on 2 December 2020 by the Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance.

Bill C-14 implements some of the measures that were announced in the federal government's Fall Economic Statement 2020, which was released on 30 November 2020.²

The bill consists of seven parts and one schedule:

- Part 1 amends the *Income Tax Act*³ and the *Children's Special Allowances Act*⁴ to provide additional support for families and children in response to the coronavirus (COVID-19) pandemic. It also clarifies eligible expenses with respect to the Canada Emergency Rent Subsidy in the *Income Tax Act*.
- Part 2 amends the *Canada Student Loans Act*⁵ to temporarily suspend interest and interest payments with respect to guaranteed student loans.
- Part 3 amends the *Canada Student Financial Assistance Act*⁶ to temporarily suspend interest and interest payments with respect to student loans.
- Part 4 amends the *Apprentice Loans Act*⁷ to temporarily suspend interest and interest payments with respect to apprentice loans.
- Part 5 amends the *Food and Drugs Act*⁸ to authorize the Governor in Council to make regulations requiring persons to provide the Minister of Health with information that the minister deems necessary and to make regulations to prevent or alleviate shortages of therapeutic products. It also amends the Act to provide that any prescribed provisions of regulations made under that Act apply to food, drugs, cosmetics and devices intended for export that would otherwise be exempt from the application of that Act.
- Part 6 authorizes payments to be made from the Consolidated Revenue Fund for the purposes of the Regional Relief and Recovery Fund, initiatives related to health and COVID-19, and income support payments under the *Canada Emergency Response Benefit Act*.⁹

- Part 7 amends the limit on Government of Canada borrowing set out in the *Borrowing Authority Act*.¹⁰

2 DESCRIPTION AND ANALYSIS

Bill C-14 contains seven parts and 19 clauses, as well as one schedule.

2.1 PART 1: AMENDMENTS TO THE *INCOME TAX ACT* AND THE *CHILDREN'S SPECIAL ALLOWANCES ACT* (CLAUSES 2 TO 5)

Clause 2 of Bill C-14 amends section 122.61 of the *Income Tax Act* (ITA), which sets out the Canada Child Benefit (CCB). New section 122.61(1.2) provides that families that are entitled to the CCB and have children that are less than six years of age are eligible to receive four quarterly payments in 2021. Shared-custody parents are eligible to receive half of the payment amount.

For payments in January 2021 or April 2021,

- if the family net income in 2019 is less than or equal to \$120,000, the family will receive \$300. If the family net income in 2019 is greater than \$120,000, the family will receive \$150.

For payments in July 2021 or October 2021,

- if the family net income in 2020 is less than or equal to \$120,000, the family will receive \$300. If the family net income in 2020 is greater than \$120,000, the family will receive \$150.

Clause 3 amends sections 122.62(5)(b), 122.62(6)(b) and 122.62(7)(b) of the ITA to include a reference to new section 122.61(1.2). These three provisions address, respectively, the calculation of the CCB upon the death of or separation from a cohabiting spouse, or when a taxpayer becomes a cohabiting spouse.

Clause 4 amends section 125.7 of the ITA, which sets out the framework for Canada Emergency Rent Subsidy. New sections 125.7(12) and 125.7(13) clarify that the definition of “qualifying rent expense” includes rent that is payable within 60 days of receiving a Canada Emergency Rent Subsidy payment from the Canada Revenue Agency.

Clause 4 is deemed to have come into force on 27 September 2020.

Clause 5 amends section 8 of the *Children's Special Allowances Act* to provide that children under the age of six who are under the care of government agencies will receive additional payments of \$300 in January, April, July and October 2021.

2.2 PART 2: AMENDMENTS TO THE *CANADA STUDENT LOANS ACT*
(CLAUSE 6)

Clause 6 of Bill C-14 adds section 11.3 to the *Canada Student Loans Act*, which governs the provision of loans issued to students up to 1 August 1995.¹¹ This new provision stipulates that, during the period from 1 April 2021 to 31 March 2022, guaranteed student loans are not subject to interest (new section 11.3(a)). It also provides that, during this period, a borrower is not required to make any interest-related payments with respect to a guaranteed student loan (new section 11.3(b)).

2.3 PART 3: AMENDMENTS TO THE *CANADA STUDENT FINANCIAL ASSISTANCE ACT*
(CLAUSE 7)

Clause 7 of Bill C-14 adds section 9.4 to the *Canada Student Financial Assistance Act*, which governs the provision of financial assistance issued to students as of 1 August 1995.¹² This new provision stipulates that, during the period from 1 April 2021 to 31 March 2022, student loans are not subject to interest (new section 9.4(a)). It also provides that, during this period, a borrower is not required to make any interest-related payments with respect to a student loan (new section 9.4(b)).

These amendments are made in relation to student loans prescribed by regulation under section 15(1)(j) of the *Canada Student Financial Assistance Act* and to which interest-free or payment deferral periods apply on account of the borrower's status as a full-time student, part-time student or newly graduated student. They are also made regarding student loans prescribed by regulation under section 15(1)(j) of the *Canada Student Financial Assistance Act* and to which termination provisions apply as a result of the borrower's death or severe permanent disability.

2.4 PART 4: AMENDMENTS TO THE *APPRENTICE LOANS ACT*
(CLAUSE 8)

Clause 8 of Bill C-14 adds section 8.2 to the *Apprentice Loans Act*. This new provision stipulates that, during the period from 1 April 2021 to 31 March 2022, apprentice loans are not subject to interest (new section 8.2(a)). It also provides that, during this period, a borrower is not required to make any interest-related payments with respect to an apprentice loan (new section 8.2(b)).

2.5 PART 5: AMENDMENTS TO THE *FOOD AND DRUGS ACT*
(CLAUSES 9 TO 11)

Clauses 9 to 11 of Bill C-14 make changes to the *Food and Drugs Act* (FDA) to include two regulation-making authorities under section 30 and to amend section 37(1.2).

Clause 9 of Bill C-14 adds section 30(1)(k.2) to the FDA. This provision 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. Clause 9 of the bill also adds new section 30(1.4), which authorizes the Governor in Council to make regulations for preventing or alleviating shortages of therapeutic products in order to protect human health.

Clause 10 of Bill C-14 amends section 37(1.2) of the FDA. This provision no longer lists specific activities associated with food, drugs, devices and cosmetics for which exported products must comply with regulations. The section as amended 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).

The changes made to the FDA by clauses 9 and 10 of Bill C-14 reintroduce similar amendments to that same Act made by clauses 33 and 34 of Bill C-13, An Act respecting certain measures in response to COVID-19,¹³ which received Royal Assent on 25 March 2020, during the previous parliamentary session. As Bill C-13 also included provisions to ensure that the amendments to the FDA would be temporary and would be repealed on 1 October 2020, clause 11 of Bill C-14 clarifies that the amendments made to section 30 of the FDA are deemed to have come into force on 2 October 2020, thereby extending those temporary measures originally introduced in Bill C-13.

2.6 PART 6: PAYMENTS FROM THE CONSOLIDATED REVENUE FUND (CLAUSES 12 TO 14)

Part 6 of Bill C-14 authorizes payments from the Consolidated Revenue Fund for three purposes for the fiscal year ending 31 March 2021.

The first purpose, according to clause 12, is to authorize total payments of up to \$206,700,000 to the following regional development agencies for the Regional Relief and Recovery Fund:

- the Department of Western Economic Diversification;
- the Atlantic Canada Opportunities Agency;
- the Canadian Northern Economic Development Agency;
- the Economic Development Agency of Canada for the Regions of Quebec;

- the Federal Economic Development Agency for Southern Ontario; and
- the Federal Economic Development Initiative for Northern Ontario.

The second purpose, pursuant to clause 13 and its related schedule in the bill, is to authorize health-related payments of up to the following amounts:

- \$64.4 million for mental health and substance use in the context of COVID-19;
- \$505.7 million for investments in long-term care;
- \$45 million for supporting innovative approaches to COVID-19 testing;
- \$68.6 million for virtual care and mental health tools for Canadians; and
- \$217.6 million for medical research, countermeasures, vaccine funding and development, border and travel measures, and isolation sites.

The third purpose, as set out in clause 14(1) of the bill, is to authorize up to \$500 million in income support payments under the *Canada Emergency Response Benefit Act*. Clause 14(2) specifies that these payments must not be used to cover the costs of administering or enforcing the Act.

2.7 PART 7: AMENDMENTS TO THE *BORROWING AUTHORITY ACT*
(CLAUSES 15 TO 19)

Part 7 amends the limit on Government of Canada borrowing set out in the *Borrowing Authority Act* (BAA).

Clause 15 of Bill C-14 amends the portion of section 4 of the BAA preceding section 4(a) to increase the limit on borrowings from \$1,168,000,000,000 to \$1,831,000,000,000. According to the Fall Economic Statement 2020, this amount is projected to cover borrowings until the end of the 2023–2024 fiscal year.¹⁴

Clauses 16 and 17 amend the wording of sections 5 and 6 of the BAA that was put in place by Bill C-13. Bill C-13 exempted borrowings undertaken from the day that bill came into force until 30 September 2020 from the borrowing limit imposed by the BAA. The amended wording removes this exemption.

Clauses 18 and 19 make consequential amendments to section 8(1) of the BAA and section 49(1) of the *Financial Administration Act*, respectively.

NOTES

1. [Bill C-14, An Act to implement certain provisions of the economic statement tabled in Parliament on November 30, 2020 and other measures](#), 43rd Parliament, 2nd Session.

2. Government of Canada, [Supporting Canadians and Fighting COVID-19](#), Fall Economic Statement 2020.
3. [Income Tax Act](#), R.S.C. 1985, c. 1 (5th Supp.).
4. [Children's Special Allowances Act](#), S.C. 1992, c. 48, Sch.
5. [Canada Student Loans Act](#), R.S.C. 1985, c. S-23.
6. [Canada Student Financial Assistance Act](#), S.C. 1994, c. 28.
7. [Apprentice Loans Act](#), S.C. 2014, c. 20, s. 483.
8. [Food and Drugs Act](#), R.S.C. 1985, c. F-27.
9. [Canada Emergency Response Benefit Act](#), S.C. 2020, c. 5, s. 8.
10. [Borrowing Authority Act](#), S.C. 2017, c. 20, s. 103.
11. Government of Canada, [Acts and Regulations: Student Financial Assistance](#).
12. Ibid.
13. [Bill C-13, An Act respecting certain measures in response to COVID-19](#), 43rd Parliament, 1st Session (S.C. 2020, c. 5), Part 9.
14. Government of Canada, "[Borrowing Authority Act Amendments](#)," in "Annex 2: Update on the 2020-21 Debt Management Strategy," [Supporting Canadians and Fighting COVID-19](#), Fall Economic Statement 2020.