

TRANSITIONAL SUPPORT PROGRAM FOR SMALLER EMPLOYERS (TSP)

TERMS & CONDITIONS

Eligibility Period

The eligibility period for this program is from October 1, 2022, to September 30, 2023

Employer Eligibility Criteria

An employer must:

- Have a unique Canada Revenue Agency (CRA) business number;
- Employ one to 100 employees in the Province at the time of application for eligibility including casual, parttime, full-time and seasonal employees (e.g., a maximum of 100 Social Insurance Numbers);
- Have headquarters in Newfoundland and Labrador; and
- Not be subject to a Determination issued by the Labour Standards Division and, where applicable, must be in good standing with the Registry of Companies and Deeds.

Program Requirements

- Employers will be required to enter into a Labour Market Partnership Agreement with the Department of Environment and Climate Change and submit an application for eligibility by January 9, 2023;
- Applications for eligibility will be assessed on the employer's most recent 12 months of payroll history for all employees to demonstrate they employ one to 100 employees for the full 12 month period and has employed at least one employee that has worked and earned wages at the minimum wage rate;
- At the time of application for eligibility, employers will be required to project the wages that they expect to pay minimum wage earners for the full claim period;
- Employees must meet the definition of an employee as defined in the Labour Standards Act: A natural person who works under a contract of service for an employer;
- Employers with multiple locations operating under the same CRA business number may only submit one application;
- Each employer must submit its own application for eligibility;
- Employers will not be eligible to claim for employee wages that are subsidized by a government-funded program (e.g., Wage Subsidies);
- Employers must be in good standing with WorkplaceNL prior to the issuance of payment;
- Public bodies are not eligible;
- All hours claimed must be employment insurance eligible hours worked in the Province at the minimum wage rate;
- The program will not prevent employers from claiming for hours worked by those under temporary work permits;
- The maximum amount that an employer can receive is \$1,040 per minimum wage earner; and
- Overtime and public holiday pay is not eligible to be claimed under this program.

Liability

- a) All payments required by law to be made by an employer including Income Tax, Employment Insurance, Canada Pension, assessments under the Workplace Health, Safety and Compensation Act, holiday pay and any liability arising from this employment shall be the sole and absolute responsibility of the employer.
- b) Nothing in the Agreement shall be deemed to authorize the employer to contract for or incur any obligation on behalf of the Province.
- c) The employer shall be solely responsible for and shall hold the Province free from any and all losses, expenses, damages, demands and claims arising out of or in connection with injuries (including death) or damages to any and all persons whether worker or others and to property in any way sustained or alleged to have been sustained in connection with or by reason of the performance of the employment.

Accounts and Records and Reporting

- a) The employer shall, with respect to the employee(s), provide an **Employee Template Form** provided by the Province when submitting their application. **Failure to submit the form and any required documentation will result in no payments being released.**

- b) The employer shall keep proper records, including payroll, bank statements, and cheques of all financial transactions relating to the Agreement and these records shall be retained for a period of six years for inspection and audit by the Province or its authorized representatives.
- c) The employer undertakes to respect the confidentiality of the information obtained from individuals and to use such information solely for the purposes of which it is obtained.

Payment to Employers

The Province shall pay employers in the following way:

- a) The Province shall make two payments: an initial payment upfront of 80% based on projected wages and a second payment of 20% after the claim period ends based on actual wages paid.
- b) No payments shall be made by the Province in excess of the amounts contracted under the Agreement.
- c) No contribution shall be made by the Province except upon evidence satisfactory to the Province that all eligibility criteria have been met.

The Province may withhold payment of any amount payable pursuant hereto where the employer has failed to comply with any terms and conditions contained herein and where the Province is not satisfied with the documentation received, or pending the outcome of an audit.

At the discretion of the Province, if the employer has failed to comply with any term, condition or obligation with regard to the Agreement between both parties, the Department may issue a **letter of default** to the employer, requesting the employer respond within a specified period. If the employer does not respond, the Province may, at its discretion, terminate the Agreement immediately. The Province will, therefore, have no obligation to make any further contribution to the employer under the agreement.

The amount of the benefit paid by the Province for the eligibility period shall be calculated in the following way: **Total Hours Worked at the minimum wage rate x \$0.50.**

An initial payment will be issued to eligible employers based on 80% of the projected claim. After the claim period has ended, confirmation of the projected wages paid will result in a second payment for the remaining 20%. Should an overpayment occur, employers will be required to repay the amount it was overpaid.

For example, an employer projects a total of 600 hours to be worked at the minimum wage rate from October 1, 2022, to September 30, 2023. The employer would be eligible for a total of \$300, \$240 in the initial payment and \$60 once confirmation of wages paid has been received and assessed.

The eligibility period shall not exceed 52 weeks.

Any payment(s) due hereunder is subject to there being an appropriation of funds for the fiscal year in which the payment is to be made.

Agreement

The Transitional Support Program **Terms and Conditions**, payroll **records** and the **Consent and Declaration** form the entire Agreement. There are no understandings, representations or warranties of any kind except as expressly set forth herein.

Amendments

The Agreement shall not be amended or assigned unless both parties agree to the amendment or assignment in writing.

Termination

Either party may terminate the Agreement with notice to the other party.

If, at any time, the Province is of the opinion that the employer has failed to provide the necessary documentation or has failed to comply with any of its covenants or undertakings contained herein, the Province may terminate the Agreement by giving written notice thereof to the employer and any payment which would have otherwise been payable to the employer may, at the discretion of the Province, be withheld.

Overpayment

The Province may demand return of any amount paid to an employer in excess of the amount to which the employer is entitled under the Agreement. Immediately upon receipt of such demand, the employer shall repay the amount specified therein, it being agreed that such amounts are considered debts to the Province.

General

No member of the House of Assembly, House of Commons, employees of the Departments of Environment and Climate Change and Immigration, Population Growth and Skills, members of the Executive Pay Plan, staff employed in the office of a Member of the House of Assembly or office of a Provincial Minister of the Crown or any person or organization other than the applicant and/or the employee shall be eligible for any financial assistance or, may receive any financial gain as a result of this contract.

The applicant and/or employee shall receive the full benefit of any financial assistance available and no other person or organization may receive or collect any percentage or portion of any monies awarded under this contract unless required by law, i.e., Income Tax, Canada Pension and Employment Insurance and assessments under the Workplace Health, Safety and Compensation Act.

The employer must comply with the provisions of the Canadian Charter of Rights and Freedoms, Newfoundland and Labrador's Human Rights Code, Labour Standards Act, and with all other applicable federal and provincial legislation.

The Agreement shall be governed by the laws of Newfoundland and Labrador.