



CRA 2020: How to Get Emergency Financial Relief Now

Description

Deputy Prime Minister Chrystia Freeland has called the COVID-19 outbreak the greatest crisis faced by Canada since World War II. Many Canadians have been thrust into a desperate financial situation and are looking for relief.

Fortunately, the Canadian government has mirrored others around the world. Canada has rolled out aid packages for its citizens. I'd discussed the [package when it was in its infancy](#). The bailout has since been altered to better fit the needs of Canadians right now. Today, I want to discuss the Canada Emergency Response Benefit (CERB). Applications are set to open next week.

Financial relief: CERB applications open April 6

[CERB applications](#) will open on April 6. Canadians have been encouraged to submit based on the month they were born. Those born in January, February, and March should apply on the Monday, April 6, those born on April, May, and June on Tuesday, and so on. CERB is available to all Canadians age 15 and older who have stopped working because of the COVID-19 disruptions. Applicants have to have earned at least \$5,000 in 2019 or in the 12 months preceding the application.

Prime Minister Justin Trudeau has called for parliament to reconvene to work more on this substantial economic package. Businesses all over Canada are feeling the squeeze of this crisis. Calls are growing louder for the government to take more decisive action.

Finance Minister Bill Morneau confirmed that businesses, regardless of their size, will be eligible to apply for the Canada Emergency Wage Subsidy. However, they will need to show that they have experienced a 30% drop in gross revenue or more over the past year.

Canadians face desperate times

Over one million Canadians filed for employment insurance in the first week of lockdowns in Canada. The record applications for financial relief has put a historic burden on the CRA. Unemployment could

hit 15% amid this pandemic, according to a forecast by the parliamentary budget watchdog.

Meanwhile, **Royal Bank** and other top financial institutions have suggested that Canada has already slipped into a recession. This should come as no surprise, considering the magnitude of the economic shutdown. Banks have projected that Canadian GDP could fall by 15-20% in the second quarter.

Many Canadians were struggling with high debt levels before this crisis. Household debt-to-income ratio came in at \$1.763 in the fourth quarter of 2019. This was a marginal improvement from the prior quarter. However, it is still a worryingly high figure.

The MNP Consumer Debt Index, released on Monday, showed that half of Canadian respondents (49%) said they were on the brink of insolvency. Respondents said they were \$200 or less away from not being able to meet their debt obligations each month. A quarter of respondents said they were already unable to meet these obligations.

Conclusion

This survey underscores the precarious position many Canadians find themselves in today. Those who have lost their jobs due to the COVID-19 disruptions may want to seek financial relief through CERB in April. The Canadian government must act decisively to ensure economic stability and guarantee the financial health of those who have been blind-sided by this crisis.

Readers: stay safe and always remember to explore all financial relief options that have been made available to you.

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