



## CRA Emergency Benefit: Are You Eligible for \$500/Week?

### Description

Canada's unemployment rate surged to 7.8% in March 2020, as the initial impact of the coronavirus begins to bite. The pandemic is paralyzing the economy and the labour force. A healthy job market in February suddenly turned gloomy the next month. Over one million Canadians lost their jobs when the outbreak struck.

As a swift response to the fallout from COVID-19, the federal government introduced the Canada Emergency Response Benefit (CERB). The new benefits program will provide [relief to workers](#) who have lost their jobs, are sick, quarantined, or are caring for someone infected with COVID-19.

### Qualifications

People who are not eligible for the Employment Insurance (EI) benefits should not despair. Whether you are eligible for EI or not, you can apply for CERB if the reasons are those cited above. If you're eligible for EI, you can still apply for regular EI benefits, EI sickness, and caregiver benefits.

The CERB also applies to parents who must stay home without pay to care for children. Its scope also covers contract workers and self-employed individuals who would not otherwise be eligible for EI.

### Amount and duration

About one million workers are out of jobs as of last month. The unemployment numbers could be staggering in the coming months. It could be that one in seven Canadians could be out of work. The freeze hiring policy is also rampant among companies.

Workers who are unable to work after April 6, 2020, because of COVID-19 can file for CERB and be processed. The temporary income support is \$500 weekly, or \$2,000 per month. The CERB's eligibility periods and availability are from March 15, 2020, until October 3, 2020.

Adjustments to the CERB program are forthcoming. The federal government is considering including

students, workers with reduced hours, gig workers, contractors, volunteer firefighters, home care workers, and others who do not qualify under the current rules.

## Massive job cuts

Many companies are starting to implement job cuts. One company that has the biggest layoff is **Cineplex** ([TSX:CGX](#)). The \$857.5 million entertainment and media company let go of over 10,000 part-time staff. The workers in both Canada and the U.S. were affected as the company closed 165 movie theatres.

After losing its [Dividend Aristocrat status](#) on April 2, 2020, Cineplex's deal with the world's second-largest cinema company now hangs in the balance. The U.K.'s Cineworld made a bid to acquire this Toronto-based cinema chain for \$2.15 billion. Cineworld's offer price is \$34 per share, but that was in early January 2020.

From \$33.75 at the start of this year, the share price of Cineplex has gone down to \$13.54 before Good Friday, or an almost 60% drop. A Cineplex activist is calling for the rejection of the transaction. There's a significant risk as the merger will only lead to an extremely fragile financial position.

## Shocking figures

At the height of the global financial crisis in January 2009, the reported job loss was 125,000. The data from Statistics Canada in March 2020 is 1.1 million, or 780% more. The figure is frightening, because it's only the initial shock.

### CATEGORY

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1. TSX:CGX (Cineplex Inc.)

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