



CRA \$2,000/Month Emergency Benefit: Can You Get It?

Description

The introduction of the Canada Emergency Response Benefit (CERB) by the federal government was a welcome move. Canadians who are finding it difficult to make ends meet due to lost income would have financial support during the COVID-19 pandemic.

The taxable benefit of \$2,000 per month for up to four months is available to workers who lost all of their income. However, the eligibility criteria left many Canadians complaining. Part-time, seasonal, and contractual workers were left out in the cold, as they did not qualify to receive the CERB benefit.

New criteria

Upon seeing that many did not qualify for the CERB, the government introduced more flexible criteria. In the expanded eligibility, part-time, seasonal, and contractual workers can now claim CERB benefits. Similarly, people making less than \$1,000 a month due to fewer work hours are included.

Necessary mass layoff

Because of the new rules, thousands of part-time employees laid off by **Cineplex** ([TSX:CGX](#)) can receive the CERB benefits. The media and entertainment company was among the first companies to lay off part-time staff. It is estimated that about 11,180 employees working in Canada and the U.S. have been affected by the mass layoff.

According to Cineplex Executive Director of Communications and Spokesperson Sarah Van Lange, the closure of 165 movie theatres necessitated the issuance of notices to the part-time staff. The Rec Room and Playdium locations are likewise closed.

Since the business is at a standstill and the vast majority of those laid off are ineligible for employment insurance (EI), Cineplex is making lump-sum payments. Each employee will receive an amount that is equivalent to what eligible EI recipients would receive for two-and-a-half weeks.

Cineplex is also helping their displaced employees to find jobs in other retailers needing manpower. Top executives, as well as the remaining full-time employees, will have temporary salary cuts. Meanwhile, a base salary reduction program will be in place for a limited period.

The temporary cost-cutting measures will also enable Cineplex to meet outstanding debt obligations. It's a major condition of potential buyer Cineworld Group. The global cinema chain has offered to acquire Cineplex for \$2.1 billion. However, the shares of both the seller and the buyer are slumping on the stock market.

Cineplex, [a Canadian icon and once a Dividend Aristocrat](#), is losing by 58.9% year-to-date on the **Toronto Stock Exchange** (TSX). With the cloud of uncertainty hovering over the future of cinema operators, lenders of Cineworld will most likely oppose a Cineplex [takeover](#).

Management has extended the closure of its network of theatres and location-based entertainment venues across Canada beyond April 2, 2020, for an indefinite period. As problems in liquidity mounts, Cineplex might soon seek rent deferrals from landlords.

The sole purpose of CERB

Now that the CERB design flaw has been corrected, more Canadians can claim the benefits. But recipients need to understand the sole purpose of the CERB. The program intends to provide economic support to all workers who are struggling financially during the COVID-19 pandemic.

It wouldn't be advisable to even use the money to invest or for any other purpose except to tide you overdue to financial dislocation.

The expanded criteria have significantly improved the original CERB. More changes might be necessary to make CERB as close to becoming a universal, direct benefit.

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