



\$8,000 CRA CERB Increased to \$12,000: Will It Become Permanent?

Description

Canadians started receiving the Canada Emergency Response Benefit (CERB) in March 2020. It was clear from the outset that CERB is temporary because the cash is for emergencies only. Similarly, the program has a [time limit](#).

After four payment cycles, CERB is now a burning issue. The early recipients are about to max out their CERBs in July, but the circumstances of many did not change. COVID-19 is still around, so the federal government announced a program extension.

Given the delicate situation, is it better to make it permanent someday soon? But there is more than meets the eye. You have to weigh the pros and cons as well as the timing.

Pros

If ever CERB becomes permanent, the name is likely to change to UBI or universal basic income. The clamor of certain groups is for the government to roll out a UBI. They argue that such a program will ensure no Canadians will be marginalized.

The UBI proponents agree that CERB is a policy innovation. However, the group wants the Trudeau administration to take it a step further. By converting CERB into a universal basic income, there is social justice. No citizen will suffer from a lack of resources, mainly financial.

Cons

The federal government flatly rejects the proposal. According to Prime Minister Justin Trudeau, the conversion is not simple. Besides, there are other pressing matters to consider. The colossal spending in [various COVID-19 response programs](#) is burdening the economy. Recovery should happen ahead of anything else.

But the UBI proposal has significant disadvantages. Studies show that when you pay people not to

work, the majority tend to work less. The labour market participation rate will drop. In terms of cost, a UBI will cost around \$80 billion annually.

Self-directed benefit

CERB or the proposed UBI have noble intentions. However, the programs could lead to over-dependence on government while encouraging laziness. The best thing to do is be productive and create a lasting income for you.

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CERB extension

CERB won't convert into a UBI anytime soon. However, the federal government saw it fit to extend the program for eight extra weeks or two months.

Hence, instead of 16 weeks, the \$500 weekly payment will be up to 24 weeks. The program should calm the fears of Canadians who can't go back or unable to work due to the pandemic.

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