



Canada Revenue Agency: 1 Giant Change to Watch Out for in 2020

Description

The Canada Emergency Response Benefit (CERB) will officially [expire](#) on September 26, 2020, but it shouldn't cause despair. The CERB ending could signal the introduction of lasting policy changes, starting with a retooled Employment Insurance (EI) system. Once CERB ends, the federal government will transition out-of-work Canadians into the system.

Workers who are eligible for EI will be moved to the platform. However, workers who are due to exhaust their CERB but don't qualify for EI will receive emergency benefits with EI-like components. According to the government's announcement, contract and gig workers are eligible for the parallel, transitional benefit.

Moving to something different

Prime Minister Justin Trudeau brands the CERB replacement as a better, 21st-century EI system. The primary objective is to move everyone receiving CERB to EI. It will cover anyone looking for work. The inclusion of contract and gig workers indicates the government recognizes the modern labour force.

According to Employment Minister Carla Qualtrough, the government expect about four million to remain on EI in the fall. But she adds the EI platform was tested and ready to accommodate the massive volume when the system restarts. Qualtrough said, "We are going to move on to something different."

The new set-up will include workers' access to training and the ability to work more hours. It will ensure no steep clawback in benefit payments. Furthermore, the government promises to relax EI eligibility rules, particularly a mandatory number of hours to receive support payments.

The Trudeau administration is hoping the changes will encourage more Canadians to return to work or seek employment actively, as the economy veers away from the emergency phase to the recovery period. CERB was a tremendous help to millions of displaced workers but cost the federal government about \$80 billion.

A lasting alternative

Another positive outcome in post-CERB is the potential overhaul of the EI system, a social safety net for decades. The transition to EI and the transitional benefit, somehow, is a CERB extension until normalcy returns. Canadians, however, should also start finding [lasting alternatives](#) to CERB.

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)), the pioneer in dividend payments, can provide a permanent income. When you resume your money-saving activities after the pandemic, keep this bank stock on your watch list. Its practice of paying dividends is approaching two centuries (191 years).

The fourth-largest bank in Canada is a core holding of retirees and long-term investors. At present, the dividend yield is an above-market average of 5.71%. Your \$50,000 savings will generate \$2,855 in permanent income. If you can afford to take a position today, the bank stock is trading at \$75.25 per share.

Canada's banking industry is robust and should recover along with the economy. For BMO, analysts forecast the shares of this investor-friendly stock to appreciate around 22% to \$92 in the next 12 months. You'll be among the privileged investors who will be receiving financial support for eternity.

Bumpy recovery

Canada's journey to a long and bumpy recovery is underway. The Bank of Canada believes the across-the-board lockdown is over following the 4.5% economic growth in May 2020. If the economy were to recover faster, all sectors must cooperate and contribute during the recuperation period.

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