



The CRA Could Replace CERB With EI: No Canadian Left Behind

Description

The Canada Revenue Agency's (CRA) most popular COVID-19 response benefit is set to expire in September. The CRA launched the Canada Emergency Response Benefit (CERB) in April, under which it paid \$2,000 every month to eligible claimants. The CERB temporarily replaced Employment Insurance (EI), as many Canadians did not qualify for the latter.

By launching the CERB, Prime Minister Justin Trudeau ensured that no Canadian would be left behind. The CERB covered everyone from students to professionals, who earned a working income of \$5,000 in the last 12 months either through contractual work, self-employment, or salary. The CERB provided emergency payments even to those whom EI did not cover.

In June, the CRA extended the CERB by eight weeks, as unemployment was high in many sectors and regions. The benefit is nearing its expiry date. There were doubts [if Trudeau would extend the benefit](#) till December, as sectors like theatre, retail, hotel, and airlines are unlikely to recover before 2021.

EI: The CERB alternative

However, Trudeau hinted that the federal government would transition the CERB claimants to EI without increasing the EI premium. He assured that the government will make some changes to the EI so that more Canadians qualify for the benefit. The federal government will release the details in the coming weeks.

In the current EI program, you are eligible for the benefit only if you have worked a certain number of hours in insurable employment. The [number of working hours](#) reduces if the unemployment rate in your region is high.

You can claim EI if you lost your job not because of your fault, but because of economic or company-specific issues, such as massive lay-offs. And you should be actively searching for a job. This criterion is similar to the CERB. You are not eligible for CERB or EI if you voluntarily quit your job or were fired for misconduct or labour dispute or poor performance.

Once you know you are eligible for EI, you can avail of this benefit for 14-45 weeks and get a maximum amount of \$573 per week. The CRA calculates your EI benefit as 55% of your average insurable weekly earnings.

Labour union calls for changes to the EI

The Workers Action Centre noted that the way EI is calculated will leave most workers with \$600-\$1,000 in monthly benefits. This amount is only a quarter of the \$2,000 in monthly CERB payment. The union has called on the liberal government to overhaul the EI in a way that benefits sectors that remain closed.

The Canadian Centre for Policy Alternatives' senior economist David MacDonald has suggested that the CRA increase the EI benefit from 55% to 75% of weekly earnings up to a maximum limit. Some are even urging the CRA to reduce the number of working hours, as many people would be out of work for around six months.

Make the most of your \$4,000 CERB payment

You still have two months to go before the CERB expires. You can claim up to \$4,000 in CERB payments. Remember, that any CERB alternative will come with many conditions and may also reduce the benefit amount. Make the most of this \$4,000.

If you can save \$500 every month from your CERB payment and invest it in growth stocks, you can enjoy an extended CERB of your own. One growth stock that will benefit the most from the economy restart is **Lightspeed POS** ([TSX:LSPD](#)).

Lightspeed provides cloud-based, point-of-sale (POS) solutions. Retailers and restaurants mostly use the POS solution in their physical stores. The company launched its initial public offering in March 2019. During that year, the stock almost doubled. While the company was on a growth spree, the pandemic shut down many physical stores. Hence, the stock fell 67% in the first three months of 2020.

Lightspeed is changing with the trends and enhancing its e-commerce solutions by offering services that cater to social distancing. As the economy reopens, its stock is recovering. The stock has surged 240% from its March low and has the potential to double in the next few years.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. TSX:LSPD (Lightspeed Commerce)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Coronavirus
2. Investing
3. Tech Stocks

Tags

1. Editor's Choice

Date

2025/09/01

Date Created

2020/08/10

Author

pujatayal

default watermark

default watermark