



CRA Cash: Are You Eligible for the \$2,000 CERB Alternative in October?

Description

Trudeau has hinted that the government would shift CERB users to Employment Insurance (EI) program. The EI program has been in place for a long time and provides a cash benefit to unemployed Canadians until they find a new job.

Why is EI a good alternative to the CERB?

The EI is similar to the CERB in many ways.

- They both are designed to provide direct cash to Canadians who lost their job for no fault of their own. The CERB provides a cash benefit for 24 weeks and EI for 14-45 weeks.
- You have to apply to the CRA bi-weekly to claim your EI and monthly to claim your CERB. In your claim, you have to prove your eligibility for that period.
- Both the cash benefits are added to your taxable income.
- For both the benefits, you have to prove to the CRA that you are actively searching for a job.

While the CRA designed the CERB on the lines of the EI, both the benefits are different in terms of eligibility criteria and benefit amount

Are you eligible for the CERB alternative?

The CRA gave out CERB to Canadians who lost their jobs because of COVID-19 and earned less than \$1,000 during the benefit period. It covered everyone from students to employees to part-time-workers to self-employed, who earned at least \$5,000 in the last 12 months.

However, the CERB alternative has slightly stricter eligibility parameters. You will get EI only if you [worked in the insurable employment](#) for at least four months, or 420 hours. If you are a freelancer, self-employed, or part-time worker, you may not qualify for the EI. Justin Trudeau has assured that the government will bring a CERB-like alternative for this segment of the population.

In the pandemic situation, those who were working under the insurable employment might not meet the minimum working hours' eligibility. Labour unions have urged the Trudeau government to relax the rules around working hours to make more people eligible for EI.

Can you get \$2,000 cash from the CERB alternative?

Once you know you are eligible for the CERB alternative, your next question would be how much cash will you get under the EI? In the case of the CERB, the CRA gave out a flat benefit amount of \$500 a week, or \$2,000 a month, to eligible Canadians.

However, in the case of EI, the CRA calculates the amount on your average weekly income during your best weeks when you earned the highest salary. It pays out 55% of that income up to a maximum of \$573 a week.

You can get \$2,000 a month in EI cash benefit only if you earned at least \$4,000 a month. The Workers Action Centre noted that most workers will get between \$600 and \$1,000 in monthly benefits from EI. It is calling on the government to increase the benefit percentage to 75% of weekly income.

Make the most of your \$2,000 cash benefit

You can double your \$2,000 cash benefit by investing it in growth stocks. One good stock you can consider is **Enghouse Systems** ([TSX:ENGH](#)). The company acquires smaller software companies operating in contact centres, telecom, transportation, and geographic information systems.

It has been growing its revenue and adjusted EBITDA at a CAGR of 7% and 11%, respectively, in the 2015-2019 period. It did so through acquisitions and cross-selling.

Enghouse stock has surged over 40% year to date and 250% in five years. It has the potential to grow further, as it continues to acquire new companies and expand into alternate markets.

If you had invested \$2,000 in the stock five years back, you would have \$7,000 by now. You can still double your money in the next three to five years.

CATEGORY

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