



CRA: How Much Cash Can You Get From the CERB Alternative?

Description

Your next question would be, do you qualify for the EI? And if you do, how much cash will you get from the CERB alternative?

The CERB alternative aims to put Canadians back to work

Before I dive into the details, let me tell you that the EI won't be the same as the CERB. The CERB is like a Universal Basic Income that gives a fixed amount to every Canadian that meets the eligibility criteria. The benefit does not phase out. The end-objective of the CERB is to provide emergency money to Canadians out of work due to the pandemic. Now, the CRA's objective is to get Canadians back to work.

Many political parties criticized the CERB stating that the generous \$2,000 monthly payment was discouraging Canadians to return to work. They lose their complete \$2,000 benefit if they earn over \$1,000, which puts them at a disadvantage. Hence, the Conservatives [proposed a](#) "Back-to-Work Bonus," under which the CERB amount will gradually phase out as the working income increases.

If not the Back-to-Work Bonus, the federal government is walking on similar lines with the CERB Alternative.

Do you qualify for the EI?

As the name suggests, EI protects you when you lose your employment for no fault of yours. You pay a premium to get an EI cover. Generally, it's your employer who takes an EI and deducts an amount from your salary. Even the employer contributes 1.4 times your contribution.

However, you only become eligible for the EI benefit after completing at least 420 working hours in insured employment. You can get EI between 14 and 45 weeks, depending on the [number of hours](#) you have worked and the unemployment rate in your area.

- If an EI premium was not deducted for your salary, you are not eligible to get an EI.
- You are also not eligible for EI if you earn more than \$54,200 per annum from your insured employment.

How much cash will you get from the CERB alternative?

The CRA calculates your EI amount as 55% of your average weekly earnings up to a maximum of \$573 a week. So the highest that you can get in EI is around \$2,300 a month, provided you earn \$1,042 a week. However, the Workers Action Centre noted that the way EI is calculated, most Canadians will get a benefit amount between \$600 and \$1,100.

Justin Trudeau stated that there will be some changes, but what would these changes be is not yet clear. The CRA might either reduce working hours' eligibility or increase the benefit percentage or implement both the options to bring EI closer to the CERB.

Make the most of your CERB

Rather than depending on the CRA benefits that have many criteria, you can create your emergency fund with the CERB you receive. If you even save \$100 a week from your CERB payment, you can invest \$2,400 in a high-growth stock that can double your money in a few years.

One such stock is **Kinaxis** ([TSX:KXS](#)), a provider of supply chain planning solutions. The globalization of trade and the fluctuating demand trends has made supply chain planning a crucial element of the business. Kinaxis is using machine learning to enhance demand forecasts and help large enterprises optimize their supply chain.

Kinaxis is still in the growth stage, increasing its revenue and adjusted EBITDA at a CAGR of 16% and 14%, respectively, from 2015 to 2019. The stock has grown 90% year to date and 60% last year. If you invested \$2,400 in it in January 2019, you would now have \$7,300. The stock is still growing and can double your money in two years.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:KXS (Kinaxis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Sharewise
6. Yahoo CA

Category

1. Coronavirus
2. Investing
3. Tech Stocks

Date

2025/08/24

Date Created

2020/08/20

Author

pujatayal

default watermark

default watermark