



CERB Alternative: The CRA Offers \$1,600 CRB for Non-EI Claimants

Description

The CERB was for every Canadian who earned at least \$5,000 last year or less than \$1,000 for the month they are claiming benefit. The benefit covered everyone from salaried employees to students

In July, Prime Minister Justin Trudeau stated that EI will replace the CERB. But there are still a million Canadians who don't have EI and are depending on the CERB to make ends meet. The government cannot just withdraw the benefit at one go, as there are many sectors like airlines, retail, and theatre, which will take a long time to recover. These sectors have many contract and part-time workers.

The CRB is a new and improved CERB

The CRA has put together the CRB to extend financial support to non-EI claimants. Like the CERB, the CRB is also taxable and available for up to 26 weeks. You will have to apply every month on a new webpage the CRA is creating for CRB. Unlike the CERB, you will get the CRB at the end of the benefit period as arrears. You can get \$400 a week, or \$1,600 a month, in CRB for up to \$10,400.

The eligibility criteria for the CRB will be [similar to the CERB](#), but with one major change: the CRA has removed the \$1,000 income limit.

In the case of CERB, you are not eligible for the \$2,000 benefit if you earn more than \$1,000 in a month. This puts claimants at a disadvantage. Hence, Canadians refused to return to work for any payment below \$2,000 a month. The CRA has overcome this shortcoming of CERB with the CRB.

You can continue to get \$1,600 per month in CRB till your annual net income reaches \$38,000, which equates to \$3,166 a month. Once you cross this income bracket, your CRB payment will start phasing out at the rate of \$0.5 for every dollar earned above \$3,166.

The CRB will be in place for 12 months

The CRA kept the CERB for six months, but it will keep the CRB for 12 months. The government

designed the CRB to help Canadians live with COVID-19. While the worst is over, you can't rule out the possibility of a second wave of the pandemic. Many companies might shut down due to a recession, and the job market may be volatile. You can apply for the CRB anytime between October 2020 and October 2021, if you become eligible. The CRB application will include links to the national job bank and career-planning tools.

You can extend your recovery benefit to 36 weeks

You can maximize your CRB by investing just \$75 every week from the benefit amount in a growth stock through your Tax-Free Savings Account (TFSA). If you receive the CRB for 26 weeks, your TFSA contribution will total \$1,950. Invest this money in a stock that can double your money to \$3,900, which is equal to 10 weeks of CRB.

One such stock is **Kinaxis** ([TSX:KXS](#)). The company offers supply chain planning solutions to large enterprises. The very nature of the business is resilient to an economic downturn.

The pandemic has delayed contract renewals and the signing of new contracts. But it has also created the need for better supply chain planning, as the demand has changed significantly. Supply chain and logistics is the biggest challenge of the COVID-19 economy. Kinaxis will help companies forecast demand with the changing business environment.

Kinaxis stock doubled this year and surged 60% last year. If you invested \$1,950 in January 2019, you would now have \$6,000. The stock is still growing and could double your money in two years.

CATEGORY

1. Coronavirus
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