



CERB Is Ending: How to Continue to Collect Over \$1,500/Month

Description

Last week, the Justin Trudeau-led government announced that the Canada Emergency Response Benefit (CERB) would be extended for an [additional four weeks](#). Policymakers and analysts have been anxious about axing the program that has provided crucial financial relief for millions of Canadians.

Today, I want to look at how many CERB recipients can continue to collect over \$1,500/month even after this program expires.

The end of CERB: What this means

The CERB program has already paid out more than \$69 billion to more than 8.6 million recipients across Canada. This recent extension means that the program will be in place until September 27. Some analysts have sounded the alarm over the conclusion of the CERB program. Millions of Canadians have now relied on the \$2,000 per month payments since the middle of March. There is potential for significant economic and social fallout when this program is suddenly terminated.

Trudeau's government said that it would take action to ensure that the end of the CERB program would not result in disaster. It would do this through major reforms to the Employment Insurance (EI) program. Last week, the government released information that revealed how these reforms would take shape in the months ahead.

Big changes are coming to Employment Insurance (EI)

Canadians who are CERB recipients and are eligible for EI will automatically transition to EI benefits when their CERB payments expire. The federal government has unveiled two types of EI that apply to workers: regular and special benefits.

Regular benefits will apply to employees who lost their jobs involuntarily and are actively looking for work. Canadians who are eligible will receive a minimum of \$400/week for up to 26 weeks.

Special benefits, on the other hand, will be offered to employees or self-employed individuals who are unable to attend work due to specific life circumstances. Individuals applying for either of these benefits must report at least 120 hours of works in the past 52 weeks. Traditionally, the number of hours of insurable employment required to be eligible for regular EI benefits ranged from 420 to 700 hours.

According to estimates from new Finance Minister Chrystia Freeland, roughly three million of the 4.5 million Canadians currently on CERB will enter the EI system. Between one to two million are projected to use the new recovery system.

CERB recipient? Don't forget to explore passive income through investing

In late July, I discussed how CERB recipients could [determine their eligibility](#) after the previous extension. There is another tried and true way to generate income in the months and years ahead. CERB recipients should consider constructing a passive income stream. This can start small, with bi-weekly or monthly contributions to a Tax-Free Savings Account (TFSA). Better yet, any income generated in a TFSA is tax-free. The CERB program has been taxable from the outset.

TransAlta Renewables is a fantastic option for Canadians looking to pump out dividend income in their TFSA. The stock last paid out a monthly distribution of \$0.07833 per share. This represents a strong 5.8% yield.

A \$10,000 investment in TransAlta Renewables in a TFSA would net investors over \$45/month in tax-free income. Shares have also increased 29% year over year.

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