



CERB Alternative for Non-EI: You Can Get up to \$10,400 in CRB

Description

If you are a self-employed, freelance, gig, or contract worker and are currently out of work or earning less than \$1,000 a month, you can apply for the CRB on September 27. Before the CRB goes live, the CRA is extending the CERB by four weeks. If you have exhausted your \$12,000 CERB limit in August, you can apply for an extra \$2,000 benefit after August 31.

Are you eligible for the CRB?

When the [CERB ends on September 26](#), the CRB will begin. To avoid the confusion of whether or not you are eligible for the CRB, you should learn about it now. To apply for the CRB, you have to meet the following criteria:

- You should be a Canadian above 19 years of age.
- You should have lost your job/work because of the pandemic and must be actively searching for work.
- Your working income should at least be \$5,000 last year and you should have been eligible for the CERB.
- You should not have an EI cover.

The CRA will pay all eligible applicants \$400 a week in CRB for up to 26 weeks. The benefit will continue for a year. This means you can claim a maximum of \$10,400 CRB anytime between October 2020 and October 2021.

The CRB overcomes the shortcomings of the CERB

While the CERB was a big hit and helped more than 8.6 million Canadians, it had its shortcomings. The CRA ensures that the CRB overcomes all the shortcomings of the CERB.

First, there was a duplication of payment in CERB as both the CRA and Service Canada were processing the benefit. Now, the CRA will manage CRB while Service Canada will manage EI.

Second, the \$1,000 income limit to qualify for CERB proved to be a disincentive for people to return to work, which pays less than \$2,000 a month. The CRA has removed this limit. Now, you can claim full CRB till your annual net income reaches \$38,000, or \$3,166 a month. Beyond that income, the benefit will start being phased out. However, the benefit will end if you reach your maximum limit of \$10,400. This way, the CRA will encourage Canadians to return to work.

Now that you know the eligibility and the benefit amount, the next step is to apply for the CRB.

How to apply for the CRB

The CRA is creating a new webpage for the CRB, where you will be able to apply. The webpage is expected to go live sometime in mid-September. You will still have ample time to apply for the CRB, as this benefit will be paid in arrears, which means after the benefit period ends. Like the CERB, you will have to reapply after every four weeks.

Even though the CRB will go live from September 27, you will get paid at the end of October. Hence, you must spend your September CERB wisely, as you don't want to be cash-strapped at the end of September.

Don't depend on CRA benefits. Use your money wisely

The CRA benefits are temporary and taxable. If you completely depend on these benefits, you might have financial troubles during the crisis. Use your money wisely. Invest it in stocks that can make your money work for you instead of you working for money.

If you are skeptical of finding a good stock, you can diversify your money by investing in the **iShares S&P/TSX Capped Information Technology Index ETF** ([TSX:XIT](#)). The ETF has exposure to 18 TSX tech stocks with significant holdings in the best stocks. It has 49% holdings in **Constellation Software** and **Shopify**, which have doubled in less than two years.

The XIT ETF has grown at an average annual rate of 27% in the last five years. If you had invested \$1,000 in the ETF five years ago, your money would have grown to \$3,400.

CATEGORY

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2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:XIT (iShares S&P/TSX Capped Information Technology Index ETF)

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