



Service Canada: You Can Get \$1,600-\$2,200 in EI From October After CERB Ends

Description

The EI is slightly more complex than CERB, with different eligibility and [benefit calculation](#), depending on your insured employment, working hours, earnings, and the unemployment rate in your region. You can get anywhere between \$1,600 and \$2,200 per month in EI in October.

Before diving into the benefit calculation, you should first register for the program, as the CRA is no longer handling EI.

The transition from CERB to Employment Insurance

Service Canada will manage the new and improved EI. If you have been receiving CERB through Service Canada and you qualify for EI, you will be seamlessly transitioned to EI on September 27 after the CERB ends. But you will have to reapply for EI if you have to receive CERB through the CRA.

Now, before you register for the EI

Check whether your previous employer deducted the EI premium from your salary. If yes, you are enrolled in the

- You have worked for at least 120 hours (or 3.5 weeks full time) in the last 52 weeks in insured employment.
- You lost your job because of the pandemic, and you are actively searching for a new job.

If you are eligible for EI and registered with Service Canada, you can get the benefit claim bi-weekly if you attest that you are eligible for that period. Service Canada will pay the EI benefit in arrears — i.e. after the end of the benefit period.

How much can you get in EI payments?

Service Canada will calculate the EI payment as 55% of your average weekly earnings. However, there is a floor of \$400 per week and a cap of \$573 per week to this benefit. This money will be included in your taxable income.

You can get this benefit for 26-45 weeks. Beyond 26 weeks, your benefit tenure will depend on your working hours and the unemployment rate in your region. If you return to work before 26 weeks, you can still get EI. But the benefit amount will be phased out at the rate of \$0.5 per dollar earned until you reach 90% of your earnings, which Service Canada used to calculate your EI.

It sounds confusing! I will explain it with an example.

John has been working in insured employment for 120 hours and earned \$2,500 per month in the last year. Even though his weekly EI benefit comes in at \$344, he will get \$400 up to \$10,400 in 26 weeks. He gets a job in the 20th week of his EI, which pays him \$2,000 a month. He can still get a reduced amount of benefit for the remaining six weeks or until he earns \$2,250 a week (90% of \$2,500), whichever is first.

Make your EI work for you

While you search for work, make your EI work for you. If you can save \$400 a month from your benefit amount, invest it in a growth stock that gives a 20% return.

One such stock is **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)). The company is the world's seventh-largest provider of supply chain management solutions. Its diversified customer base and service offerings make it [resilient to an economic downturn](#).

In the last five years, Descartes stock rose at an average annual rate of 21%. This year, it is up 30%, and it will continue to deliver 20% returns.

Investor corner

If you invest \$400 every month for 13 months in Descartes, you will have \$5,800 in your account, which is equivalent to 14 weeks of EI payments. Invest through your Tax-Free Savings Account to exempt your investment earnings from taxes.

CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. TSX:DSG (The Descartes Systems Group Inc)

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Author

pujatayal

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