



## CERB Is Ending: Are You Eligible for the New \$500/Week Benefit?

### Description

When this month started, I discussed how Canadians should respond to the shake-up in social programs that was on the horizon — namely, the expiration of the Canada Emergency Response Benefit (CERB). Previously, I'd pondered whether the CERB [could become permanent](#) in some form. After all, Justin Trudeau's Liberals had toyed with the idea of a guaranteed income when they were elected in 2015.

A guaranteed income does not appear to be in the cards in the near term, however, but the federal government has introduced some interesting reforms to existing social programs. The CERB program has provided crucial financial support to millions of Canadians. Some analysts feared that its expiration could invite a social catastrophe. Fortunately, new benefits are coming down the pipe to provide relief.

## CERB is expiring: Why recipients should not panic

This week, I covered the [major changes](#) that were made to Employment Insurance (EI). The most significant change to EI involved eligibility. Canadians now need only 120 hours of eligible employment to access unemployment and work-sharing benefits. The federal government also introduced a floor for EI benefits of \$400/week, while the ceiling of \$573/week has also been expanded.

Many CERB recipients are still ineligible for EI. Fortunately, there are alternatives. Two benefit programs match the generous payment output of the CERB program. The Canada Recovery Sickness Benefit will provide \$500/week for up to two weeks for workers who do not have access to other types of paid sick leave.

The Canada Recovery Caregiving Benefit is a highly suitable replacement for CERB payments. This provides a \$500/week payment per household for up to 26 weeks. Parents who receive advice by a medical professional to keep their kids home due to underlying health conditions will be eligible for this payment.

## Spend any extra cash on an income investment!

As always, I want to focus on the investment side for CERB recipients in this uncertain time. These new benefits provide some extra flexibility, but these also carry an expiry date. Canadians should seek out ways to make their passive income permanent. By investing in dividend stocks through a Tax-Free Savings Account (TFSA), that income will be tax free.

**Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) provides transportation and midstream services for the energy industry in North America. Shares of Pembina have dropped 28% in 2020 as of close on August 27. Fortunately, the oil and gas sectors has benefitted from a bounce-back in the summer.

This company released its second quarter 2020 results on August 6. Despite the COVID-19 pandemic, Pembina still anticipates adjusted EBITDA in the range of \$3.25 billion to \$3.55 billion – albeit closer to the lower end of the projection. It struggled due to soft oil and gas spot prices in the quarter. These prices have climbed steadily in the summer.

CERB recipients with some extra cash will benefit from an investment in Pembina. It still offers a monthly dividend of \$0.21 per share. This represents a monster 7.6% yield. Moreover, shares of Pembina possess a favourable price-to-earnings ratio of 18 and a price-to-book value of 1.0.

### CATEGORY

1. Dividend Stocks
2. Investing

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1. NYSE:PBA (Pembina Pipeline Corporation)
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