Canadians, $37 Billion CRA CERB Replacement Is Coming Your Way

Description

Some four million Canadian workers will no longer worry about falling from the earnings cliff. The federal government will unveil a new $37-billion income-support measure to replace the Canada Emergency Response Benefit (CERB).

According to Employment Minister Carla Qualtrough, the new scheme acknowledges the uncertainty beyond 2021. Three temporary measures will go along with the transition to the retooled Employment Insurance (EI) system.

EI transition

The simplified EI will now be available to more Canadians, including those previously ineligible due to insufficient qualifying hours. Anyone eligible for EI who lost their jobs will get $400 per week for a minimum of 26 weeks.

To qualify, you must have worked 120 hours in the prior 52 weeks (or since the last claim). Recipients can work and claim EI, although EI regular benefits reduce by 50 cents for each dollar of earnings, up to 90% of prior earnings.

CRB

Self-employed individuals, contracts, and gig economy workers who are ineligible for EI can apply for the Canada Recovery Benefit (CRB). The taxable benefit amount is also $400 per week for up to 26 weeks. CRB and the other two new programs will be available for one year, starting September 27, 2020.

CRSB

Suppose you're an employee or self-employed individual with no paid sick leave. In that case, the

Canada Recovery Sickness Benefit (CRSB) will provide a $500 per week taxable benefit for up to two weeks. You must attest that you can't work either due to illness and must self-isolate due to COVID-19.

CRCB

The Canada Recovery Caregiving Benefit (CRCB) is for those who will miss work to care for a family member due to COVID-19. The taxable benefit is $500 per week for up to 26 weeks. While CRCB is sharable among household members, only one household member can apply in any one week. You can't get the CRCB if there's a facility available, but you keep a dependent home.

Permanent substitute

If you're back to work and earning, begin covering your back against another crisis. Save and invest in a high-yield asset like **Pembina Pipeline** (TSX:PPL)(NYSE:PBA). This energy stock pays a 7.67% dividend. A $50,000 investment will produce $3,835 in permanent income.

While the $18.26 billion company is not an oil producer, it provides transportation and midstream services in North America. Pembina counts among the stocks that have increased ordinary cash dividends every year for five years. It's capable of maintaining the same payout for at least two straight years within those five years.

Pembina's highly contracted commercial framework makes it resilient despite the lower activity of oil producers in 2020. Because of the temporary decline in the physical volume of crude oil and natural gas liquid (NGL), revenue and net income in the first half of 2020 fell 22.1% and 42% versus the same period in 2019.

Management expects to generate more substantial cash flows from its take-or-pay arrangements and cost-of-service contracts once volumes pick up in the coming quarters.

Preparation and protection

You're better off creating permanent income if your resources will allow. Prepare for and protect yourself from a future crisis. Don't expect the federal government to intervene every time there's an economic meltdown.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PPL (Pembina Pipeline Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date
2025/08/23
Date Created
2020/08/31
Author
cliew