



CRA CERB Ending Soon: Are You Prepared?

Description

If you lost your job with the onset of COVID-19 and the ensuing lockdown, you might already be collecting the Canada Emergency Response Benefit (CERB). The government relief program launched as millions of Canadians lost income due to mandatory social distancing measures. The program came as a relief as it paid \$2,000 to qualifying Canadians.

The payments were made for four-week periods and totalled \$500 per week. The Canada Revenue Agency (CRA) was tasked with paying eligible Canadians the amount for up to 16 weeks. As the pandemic stretched on, the government announced an eight-week extension to the program in June.

The economy has gradually started opening up, and the government wants to encourage people to look for work instead of continuing to rely on CERB. Prime Minister Justin Trudeau announced that the government would replace the \$2,000 CERB with an alternative. While they make the transition, the CRA will provide eligible Canadians with CERB money for [an additional four weeks](#).

However, the CERB will have to end one day. The question is: Are you prepared for life after CERB?

CERB alternatives

The CERB alternative that the government is touting is a new and improved Employment Insurance (EI) benefit program. Instead of merely handing out money, no questions asked, the EI works like insurance. The government amended the EI to bring the payouts closer to CERB and lowered the traditional eligibility criteria to make it easier for everybody to qualify. However, it remains an insurance program.

The government changed the premium payments to make it easier for Canadians. The EI changes will cost the government an additional \$7 billion. However, it believes that EI is going to help Canadians return to work.

EI is a company-provided benefit. If you were self-employed before the pandemic and lost your income, you cannot qualify for the insurance. However, the government has a plan for those who don't

qualify for EI as well. The CRA will introduce the Canada Recovery Benefit (CRB) for self-employed people or did not have enough insurable income.

CRB is also a type of EI administered by Service Canada. You apply for it just like EI, but the eligibility standards are laxer.

The government plans to successfully phase out CERB with the final extension using the new and improved EI and CRB.

Using the remaining CERB

Many Canadians began arranging alternatives to manage their expenses before the CRA announced the latest CERB extension. If you have managed to arrange for more money, you can make excellent use of the final CERB money to set yourself up for the post-CERB era. Instead of using the \$2,000 CERB, I would advise investing it in a [high-growth tech stock](#) like **Lightspeed POS** ([TSX:LSPD](#)).

A high-growth stock like Lightspeed can help you grow that \$2,000 into a more substantial sum through its capital gains. Lightspeed is a cloud-based point-of-sale (POS) and omnichannel solutions provider for retailers and restaurants. The company suffered significant losses with the initial lockdowns because its customers lost their income streams. However, Lightspeed adjusted its services to cater to the changing market requirements.

It helps retailers and e-commerce stores integrate their payments, purchases, inventories, and their marketing efforts through its platform. The demand for Lightspeed's services surged with the change in its business model, and it is booming again. At writing, the company's share prices have grown by 277% from March 2020, and it shows no signs of slowing down.

Foolish takeaway

Using CERB to generate more capital for yourself can be an ideal way to set yourself up for life after CERB. You should consider investing any cash you can spare in a stock like Lightspeed POS and watch the company grow your wealth.

You can choose to stay invested in the stock in the long run and use it to secure financial freedom for yourself. The CRA CERB ending should not be a reason for you to worry as long as you can manage the transition well.

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Author

adamothonman

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