



## Canada Revenue Agency: The \$14,000 CERB Is Over Soon. Here's What You Can Do

### Description

The new round of income-support measures commences on September 27, 2020, just as the Canada Revenue Agency (CRA) ends disbursing the Canada Emergency Response Benefit (CERB). The emergency package will cost the federal government \$37 billion, which includes \$8 billion for the one-month CERB extension.

Millions of Canadians endured the crisis thanks to CERB, which is the [most substantial federal support measure](#) on record. Since not all former recipients of the taxable benefit can transition to Employment Insurance (EI), three other measures will address the economic need.

### Relaxed EI rules

The modified EI system includes drastic changes in eligibility rules. If you've been receiving CERB through Service Canada, the transition is automatic. If the CRA is the source of your CERB, but you're eligible for EI, you need to apply with Service Canada.

Whether you're applying for the regular benefits or special benefits, you must report at least 120 hours of work (about three-and-a-half weeks of full-time hours) in the past 52 weeks to qualify for EI. Before, the rules were 420-700 hours for the regular benefits and 600 hours for the special benefits.

The support is \$400 for up to 26 weeks or \$240 per week for extended parental benefits in the EI scheme. Individuals can still earn income while receiving the benefit, although they would repay \$0.50 of the benefit for each dollar earned above \$38,000.

### Three new programs

If you don't qualify for EI or are self-employed, the Canada Recovery Benefit (CRB) will provide \$400 a week for up to 26 weeks. You will repay \$0.50 of every dollar earned above an annual net income of \$38,000 through your income tax return.

For workers who are sick or need to self-isolate due to COVID-related reasons, the Canada Recovery Sickness Benefit (CRSB) will provide \$500 weekly for up to two weeks.

The third is Canada Recovery Caregiving Benefit (CRCB). If you're unable to work because you're caring for a child, dependent, or family member at home due to COVID-19, the weekly support per household is \$500.

## Income for life

The proposed benefits will cover the needs of EI ineligible. However, all three are temporary, and the credits are for a year only. If you have ample savings, bank stocks are excellent [sources of permanent income](#). **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is a dependable provider in tough and easy times.

The second-largest banking institution in Canada pays a 5.02% dividend. Your \$50,000 holding will produce \$627.50 in recurring quarterly income. Retirees have them in their stock portfolios for a lifetime. TD's incredible track record dates back to 1852.

People are concerned about the mortgage defaults in the banking industry once deferrals or forgiveness ends. TD has increased its loan-loss provision (four times more versus last year) for any eventuality.

More importantly, this \$116.1 billion bank is a pocket value for a good 100 years. The stock is underperforming year to date (-9.84%), but the price could return to normal post-pandemic.

## Permanent is ideal

CERB helped millions of Canadians in their hour of need. However, it's more advantageous to have a permanent income source like the TD stock in times of great uncertainty.

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