



## Here's How You Can Get Your October CERB

### Description

The Canada Revenue Agency (CRA) emerged as the saviour in the COVID-19 pandemic. It released its fastest emergency benefit, putting sufficient liquidity in the hands of Canadians who lost their jobs owing to the pandemic. The Canada Emergency Response Benefit (CERB) payments increased household disposable income by 10.8% in the second quarter. The CERB is coming to an end in September. But you can claim your CERB in October as well. Here's how.

### How to claim your CERB in October

The CRA has set the CERB benefit period between March 15 and September 26. This means if you are [eligible for the CERB](#) between the benefit period, you can claim your benefit. Now, every Canadian can get the CERB for a maximum of 28 weeks, up to \$14,000. If you haven't met the maximum limit till September 26, you can claim your past month's CERB in October.

I will elaborate on a scenario. Jack owns a restaurant. He was forced to close his business from March 15 to June's end. With his income source temporarily shut down, he was eligible for the CERB and claimed it for three months. He later started takeaway service and managed to earn around \$1,000. But he didn't claim the benefit over confusion if he was eligible or not.

In August, a friend of Jack explained to him the CERB eligibility, and he claimed the benefit for August and September. Now, Jack was eligible for CERB in July, but he didn't claim it. He can claim the benefit in October. The CRA is making retroactive CERB payments to those who claim it before December 2.

Note that you can claim the benefit whether or not you have filed your income tax returns.

### The CERB alternative coming soon

The CRA will bring [alternatives to the CERB](#) in October, but the eligibility criteria will tighten and the benefit amount would reduce. The alternative would reward those who return to work within 26 weeks.

You can continue getting the benefit as long as you earn around \$3,000 per month. After that, the benefit will start fading or until the end of 26 weeks.

But you can't be sure if you will be eligible for the new benefits. A better way is to maximize your CERB payments.

## How to extend your CERB

If you invest some portion of these \$2,000 CERB payments, you can stretch your benefit by a month. The CRA is giving CERB benefits for seven months. If you set aside \$400 from the \$2,000 payment each month, you will have up to \$2,800 only from your contributions. If you invest this money in a growth stock like **Kinaxis** ([TSX:KXS](#)), which has been growing at a CAGR of 30% for the last five years, it can also arrange for the taxes charged on the CERB.

Kinaxis is growing in the supply chain planning market. The company's revenue and adjusted EBITDA has been growing at a CAGR of 16% and 14%, respectively, between 2015 and 2019. Some companies have delayed their Kinaxis subscription because of the pandemic. But as the economy recovers, the subscriptions will return.

One of the biggest challenges of the COVID-19 economy is supply chain and logistics. E-commerce is growing at a tremendous pace. The demand has changed. More companies will use Kinaxis's solutions to optimize their supply chain planning. Even if its stock's growth rate slows to 20%, your \$2,800 would grow by 150% to \$7,000 in five years.

## Investor corner

In early September, the **TSX Composite Index** saw some correction. The virus stocks like Kinaxis, which surged the most in the pandemic rally, dipped 18%. One possible explanation is that CERB recipients cashed out some of their investments to pay for September expenses after the CRA delayed the CERB by a few days. This is a good time to buy the stock, as it would rally once again when the new benefits increase liquidity.

### CATEGORY

1. Coronavirus
2. Investing
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1. TSX:KXS (Kinaxis Inc.)

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