



Did You Know the CRA Can Take Away Your CRB?

Description

The Justin Trudeau government has confirmed that [four new recovery benefits](#) will replace the Canada Emergency Response Benefit (CERB). Among the new benefits, the Canada Recovery Benefit (CRB) is the closest to the CERB. The CRB will give unemployed Canadians who are not covered under the Employment Insurance (EI) a weekly payment of \$400 for up to 26 weeks. The CRB will come into effect on September 27. Here is everything you need to know about the new benefit.

Are you eligible for the CRB?

The CRA is launching the CRB mainly for self-employed, gig, and contract workers who do not have any unemployment benefits. Before you apply for the CRB, check if you meet all the four criteria:

- You are a Canadian above 15 years of age who earned a working income of at least \$5,000 last year or this year.
- You did not quit your job voluntarily, but stopped working because of the pandemic and are looking for work.
- Even if you are working, your income has been reduced because of COVID-19-related reasons. You must be earning less than \$3,000 per month to get the complete \$400 benefit payment.
- You do not have an EI or have exhausted your EI benefits.

The idea behind the CRB is to compensate Canadians who lost their working income because of the pandemic. If you were not working before the pandemic or you are dependent, you don't qualify for the benefits.

In simple words, if you have been receiving CERB for the last six months, you are likely to qualify for the CRB. The only difference is, you should not have EI.

How to apply

If you are eligible, you can apply for the CRB in the same way you applied for the CERB. Log in to the

CRA website and register for the CRB. Once you are registered, you have to apply for the CRB every two weeks, wherein you will attest that you meet the requirements. The first claim window will likely open on October 12.

Once you apply, the CRA will review your application and process the payment of \$800 in your bank account or send a check. The CRB payment will be added to your taxable income.

The CRB will be in place for the next 52 weeks. This means you can divide your 26-week benefit period throughout the year and only apply for the weeks when your income is less than \$3,000.

The CRA can take back your CRB

The CRA can take back your CRB payments at the end of the year if your annual income, excluding CERB and CRB, exceeds \$38,000. It will take back \$0.5 of the benefit on every dollar you earn above \$38,000.

For instance, Jane was employed for five out of the 12 months in 2020, earning \$4,000 every month. In June, she lost her job because of the pandemic. She got CERB from June to September. She is actively searching for a job and has exhausted her EI. In the meantime, she gets some freelance projects that fetch her around \$1,000 a month. She can apply for the CRB, as the CRA will calculate her annual income as \$27,000.

Make the most of your CRB

Many Canadians maximized their CERB by investing some of the benefit amounts in virus stocks like **Shopify** and **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)). This cash inflow drove the [stock market to new highs](#), even when the gross domestic product contracted. Hence, when the CRA delayed payments in early September, the virus stocks saw the biggest correction.

Those who invested \$500 from their \$2,000 CERB in Lightspeed back in April increased their money to \$944. If you missed the opportunity then, now is the time to boost your income. The company has the potential to thrive in the post-pandemic economy. It has tweaked its omnichannel point-of-sale solutions to help retailers and restaurants operate with the new social-distancing guidelines.

Lightspeed stock has declined 18% from its 52-week high in the September correction. The stock would most likely fall for another week or two, as Canadians don't have much liquidity, and then return to the growth path.

CATEGORY

1. Coronavirus
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TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
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