



Canada Revenue Agency: How to Extend Your Recovery Benefits Beyond 26 Weeks

Description

The Canada Revenue Agency (CRA) has [launched](#) the new Canada Recovery Benefit (CRB) along with special benefits like sickness and caregiving to match it with the EI program. The government has designed the entire recovery benefits program to help Canadians deal with COVID-19 challenges of 14-day quarantine, containment zones, and lack of job security. Although the CRA has capped the CRB for every individual at 26 weeks, you can extend it to 28 weeks, and even 52 weeks if you have dependents.

The 26-week CRB

The first benefit is the unemployment benefit CRB. The rules are the same as the Canada Emergency Response Benefit (CERB) except for two things:

- You should not be covered under Employment Insurance (EI).
- You should not earn more than \$38,000 per annum in the year you claim the benefit.

If you don't meet the above two criteria and still get the CRB, the CRA can take away your benefit when you file your income tax returns. The CRB will give you \$500 a week for your living expenses while you actively search for a job. You can be working and still get the CRB if your income has halved because of the pandemic. The benefit is in place till September 25, 2021.

However, don't exhaust your 26 weeks while you are still earning. You don't know how and when the pandemic will impact your job. Keep it for the tough times when your income is not sufficient to make ends meet.

The two-week sickness benefit

The Justin Trudeau government has launched the Canada Recovery Sickness Benefit (CRSB) to support Canadians to stay home when they contract COVID-19 or fall sick. Under the CRSB, you will

get \$500 a week for up to two weeks if your work hours for that period have halved.

You will only get the CRSB if you are not getting any other cash benefits, such as paid sick leave, CRB, EI, or other provincial sickness benefits.

If you have been applying for the CRB and you fall sick, then save your CRB weeks and apply for CRSB. This way, you can extend your benefit period to 28 weeks.

Another 26 weeks of caregiving benefit

The Canada Recovery Caregiving Benefit (CRCB) supports Canadians that have been working but have to take a break to care for dependents (a child below 12 years of age or a disabled family member). The benefit only applies if schools and care centres are closed, or the dependent fell sick, or he/she contracted coronavirus. The caregiver should have earned at least \$5,000 in 2019 and 2020, and his/her work hours should have halved.

Two members of one household can't claim the CRCB for the same period. All household members combined can claim CRCB for up to 26 weeks. When applying for CRCB, ensure that you are not getting any EI or state benefit for caregivers, any sickness benefit, paid leaves, or CRB.

How to extend your recovery benefits beyond 26 weeks

Here's an example. Jake has a wife and a five-year-old child. He owns a bakery, and the sales have dipped 60% since the pandemic. He can claim CRB for 26 weeks. Suddenly, there was a COVID-19 outbreak, and he got infected. He can claim CRSB for two weeks.

After he got out of quarantine, his wife caught the virus and he had to care for her. He can claim CRCB for another two weeks. This way, Jake can extend his benefits to 30 weeks.

Another way to extend your benefit is by investing around \$100 a week from your benefit amount in **Kinaxis** ([TSX:KXS](#)). Its stock has surged 80% this year as the pandemic has created new supply chain challenges. The need for the hour is flexibility in the supply chain, given the unpredictable nature of the coronavirus spread. Consumer demand has changed, and also the way they shop.

More companies will use Kinaxis solutions to optimize their supply chain. [Kinaxis stock would thrive](#) in the post-pandemic world and increase \$100 to \$180 in a year. After the recovery benefits end in a year, the income from this investment would allow you to enjoy the benefit a little longer.

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