CERB Extension Into October and Beyond: What You Need to Know

Description

The COVID-19 pandemic threw everyone off this year in ways that are unimaginable. The government quickly introduced the Canada Emergency Response Benefit (CERB) in April to swiftly get relief money to Canadians who need assistance. Since then, nearly nine million Canadians have benefited from the program.

As the situation develops, the temporary relief program also needs to change to better balance the support of Canadians in need and the recovery of the economy.

The CERB is extended into October and beyond — but in a different form. The "CERB extension" will consist of a mix of Employment Insurance (EI) and three new benefits programs.

From CERB to EI

Canadians who applied for the CERB through Service Canada will automatically be registered for EI. However, the self-employed or those with a 900-series social insurance number will need to apply again.

If you applied for the CERB through the Canada Revenue Agency, you'll need to apply for EI through Service Canada.

"CERB extension" through three new benefits programs

Parts of the economy, such as restaurants, hotels, bars, theme parks, theatres, etc., are still being hit hard by the pandemic. Therefore, the government is introducing three new benefits programs to ensure impacted Canadians are well covered.

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The Canada Recovery Benefit (CRB) protects self-employed Canadians who have seen their income drop 50% or more but are not eligible for EI. The CRB allows them to receive $500 a week for up to 26 weeks. However, they must be "looking for work and must accept work where it is reasonable to do so."

The Canada Recovery Sickness Benefit (CRSB) protects sick workers or people who need to self-isolate due to COVID-19. The program provides $500 per week for up to two weeks.

The Canada Recovery Caregiving Benefit (CRCB) provides $500 a week for up to 26 weeks per household for eligible Canadians who can't work, because they need to care for a child that's 12 years old or younger because schools or daycare centres are closed due to COVID-19.

Increase your passive income

While it's great the government is making these relief benefits available to help Canadians in need, you can complement the benefits with passive income from your investments.

While getting a CERB extension, you can also make more income in October and beyond from dividend stocks. In fact, if you set it up right, your dividend portfolio can be a strong castle to protect you and your family in times of crisis and improve your standard of living in normal times.

The pandemic has also impacted the financial markets. Some dividend stocks have not fully recovered from the March market crash and consequently still provide incredible dividend income.

For example, Canadian Dividend Aristocrat **Enbridge** (TSX:ENB)(NYSE:ENB) stock currently provides a ridiculously high yield of 8.2% that's secure.

The yield has been pushed up due to a reduced share price from concerns of lower energy demand. However, Enbridge's energy infrastructure business is much more resilient than energy producers that rely on commodity prices.

If you have some savings on the side, you should consider building a position in safe dividend stocks like Enbridge. Investors should note that if the current selloff continues, the stock can revisit the $34-per-share low set in March.

ENB stock's 12-month price target of about $52 suggests more than 30% upside from the current levels of about $39.50 per share. Combined with the generous dividend, that'd be incredible returns in a proven blue-chip stock.

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