



How to Transition From CERB to EI

Description

The Justin Trudeau government has finally ended its temporary Canada Emergency Response Benefit (CERB). The benefit helped over 8.8 million unemployed Canadians survive the COVID-19 pandemic. Now the government is transitioning from emergency to recovery to help Canadians go back to work. The federal government has therefore introduced the new Canada Recovery Benefits (CRB) and revamped Employment Insurance (EI).

The government launched the CERB in a rush, which led to many administrative challenges. Both Canada Revenue Agency (CRA) and Service Canada (SC) were processing the CERB, leading to benefit duplication. This time, the government is more organized, and duties are well divided. The EI is back, and the CRB is giving unemployment benefits to those who don't have an EI.

Transitioning from CERB to EI

Service Canada is managing the EI and will process your EI claims. Your next question would be how you should transition your CERB to EI?

- If you claimed CERB from the CRA, you will have to register yourself with the SC for the EI.
- If you claimed CERB from SC, the agency will automatically transition you to EI, provided you are eligible.

In the second scenario, the SC might not transfer you to EI if it deems that you no longer need income support. But due to unforeseen circumstances, you do qualify for EI then register for the benefit on the SC website.

Once you have registered for EI, you can apply for the benefit in every two weeks you become eligible. You have to apply for EI within 60 days from the end of the two-week benefit period, or your benefit will lapse. While filling the application, you have to attest that you meet all the requirements and are actively searching for a job.

The SC will review your application and process the payment. Now, if you had already started a new EI

claim in the last 52 weeks and have some weeks of benefits left, the SC would reactivate that claim when you apply for EI.

Should you apply for a new EI claim?

When you apply for the EI, take your time and calculate your benefit. See if you are better off with your old claim or the new COVID-19 EI gives you a higher benefit. You can get the details of your previous claims on My Service Canada Account (MSCA). Remember, if SC reactivates your existing EI claim and you start working again, you can't make a new claim until the ongoing claim runs out.

The new COVID-19 EI will give you a minimum of \$500 a week for 26 weeks. You will get this claim if you have completed 120 insured working hours (or 3.5 weeks full time) in the last 52 weeks. You can claim a maximum of \$573 a week for 45 weeks, [depending on](#) your average weekly income, working hours, and the unemployment rate in your area.

For a majority of Canadians, the EI benefit would be less than \$500 a week. If you are one of the majority, check how much of the working hours balance you have left. If it is above 120 insured hours, end your existing claim and apply for a new EI claim. But if your existing EI claim is above \$500, continue with your program.

Make the most of your EI claim

Unlike the CERB, you can get your \$500 EI while you are working, and your annual income doesn't cross the \$54,200 threshold. You can maximize your benefit by investing 25% of your EI claim in quality stocks through the Tax-Free Savings Account (TFSA).

The virus stocks' rally has flattened since July, with some peaks at the start of the month. You can go for a dividend stock like **SmartCentres REIT** ([TSX: SRU.UN](#)), which is down 34% year to date as the [pandemic has reduced its gross rent](#), occupancy rate, and fair value of its properties, and increased its credit risk. The REIT has set aside \$20 million in provision for bad debt and rent abatement.

The reduced stock price has increased its dividend yield to 9%. When the economy recovers, SmartCentres's stock could surge 60%, creating a win-win in both a downturn and an upturn.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

PARTNER-FEEDS

1. Business Insider
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Date

2025/08/25

Date Created

2020/09/29

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