



CERB-to-EI Transition: How to Keep Your \$500/Week

Description

In October, the CERB will be replaced by EI, marking the end of Canada's biggest COVID-19 financial aid program. For many Canadians, the transition has been a source of major confusion. Recently, *CTV News* reported that many Canadians weren't sure whether they'd be able to keep getting \$500 a week. While the benefits replacing the CERB will be widely available, some still haven't heard from the CRA.

This has led to significant confusion. EI has different eligibility standards than the CERB had, so many people aren't certain whether they're able to get it. Adding to the confusion is the fact that the benefits still have to be voted on by Parliament. While the new benefits look likely to be approved, they may yet be modified before they're launched.

Fortunately, there's some good news here. While the CERB is ending, the new benefits could keep paying unemployed Canadians \$500 a week. In fact, they could pay *more* than that. Here's how.

The revamped EI will pay \$500 a week minimum

The main CERB replacement being debated this week is revamped EI. This is a new form of EI that you only need to work 120 hours to qualify for and which has a \$500-a-week floor. The \$500-a-week floor means that the new EI is guaranteed to pay at least what the CERB paid. But it could pay more. If you worked more than the minimum, you could see weekly benefits as high as \$573 a week. That's one way that the new EI program is better than the CERB.

The CRB will pay what the CERB paid

In addition to the new EI, there's also the CRB. The CRB is a [\\$500 weekly benefit](#) specifically for those who aren't EI eligible. This program resembles the CERB in many ways. It pays the same amount and you don't need to be eligible for EI to get it. Eligible Canadians will be able to get it for up to 26 weeks.

What this means for the economy

The fact that COVID-19 benefits are being extended could be a major benefit to the economy. The economy depends heavily on consumer spending, and unemployment tends to cause that to dip. Unemployment benefits therefore go a long way toward keeping the economy afloat.

As an example, consider a company like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). Recently, it made headlines by [growing its sales by 97% year over year in the second quarter](#). That was its biggest sales increase in years. It was made possible by consumers going online thanks to mass retail business closures.

Thanks to its Q2 growth, SHOP stock has soared this year. But with mass unemployment, its big sales boost could be called into question. If consumers aren't making money, then they aren't spending it. What money they do have, they spend on staples like food and utilities. So, without government supports and benefits, companies like Shopify might eventually see their sales slow down. This shows that COVID-19 aid has benefits, not only for unemployed workers, but also for investors.

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Date

2025/08/24

Date Created

2020/10/01

Author

andrewbutton

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