



CERB Extension: Can Retirees Get the \$2,000 CRA CRB?

Description

The Canada Revenue Agency (CRA) has released the first draft of who is eligible for the \$2,000 Canada Recovery Benefit (CRB). However, there are still some grey areas. Many Canadians are doubtful if they qualify for this new benefit. One such set of the population is retirees. Can they get the CRB?

Among the 8.6 million Canadians who benefitted from the Canada Emergency Response Benefit (CERB) were students, working professionals, and retirees. I will dig deep into the eligibility for the \$2,000 CRB to understand if retirees can get the benefit.

How the government defines retirees

You don't need to stop working after you hit the official retirement age of 65. With better medical facilities and higher expenses and debt, people often continue to work past their retirement age. For the Old Age Security (OAS) pension, the government defines a retiree as a Canadian above 65 years of age who has lived in the country for at least 10 years after turning 18.

Are you eligible for the \$2,000 CRB?

The CRA has not set any maximum age limit for the CRB. It will consider the application of any Canadian above 15 years of age with a valid Social Insurance Number (SIN). Now, to qualify for the CRB, you have to meet additional requirements:

- You should have lost your job or your income should have been halved because of COVID-19-related reasons. If you quit your job or retired voluntarily, you won't be eligible.
- You should have earned at least \$5,000 in 2019 or 2020.
- While claiming for CRB, ensure that you are not receiving any other employer or state benefit related to unemployment, sickness, or caregiving for that period.
- Your annual income should be less than \$38,000.

If you have Employment Insurance (EI), then claim that. The CRB is for people who don't have an EI or have exhausted their EI claim.

If you meet all the above criteria, then age is just a number. You can log in to your My CRA account and apply for the CRB.

Which benefit should you choose: OAS or CRB?

The Canadian government gives certain benefits to people above 65. In OAS, you can get a maximum of \$614.14 per month if you have lived in Canada for 40 years since the age of 18 and have an annual income below \$77,580. You can also get a Guaranteed Income Supplement (GIS) of [up to \\$916.38](#) if you have lived in Canada for 40 years since the age of 18 and have an annual income below \$18,600.

Even if you max out OAS and GIS amount, you can get \$1,530 a month. In CRB, you can get \$2,000 a month. It is still unclear if you can receive CRB alongside OAS and GIS. But if you are eligible for all these benefits and have to choose, go for CRB, as it will give you a higher benefit. Even if you consider the tax part of it, a \$500 difference puts you in benefit if your total tax rate is below 25% (the OAS and CRB are taxable, while the GIS is tax-free).

You can make your benefits work for you

It is never too late to invest. You can save around \$500 from the \$2,000 benefit amount and invest in **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) through a Tax-Free Savings Account. This is a good time to buy this pipeline operator, as the oil crisis has reduced its stock price by 30% year to date and inflated its dividend yield to 8.4%.

Enbridge has been a Dividend Aristocrat for a long time thanks to its predictable business model that mitigates the impact of oil price volatility and gives it stable cash flows. The company puts millions of dollars to build and maintain pipelines. Then the cash flows in just how oil and natural gas flow through its pipelines.

Enbridge is facing [short-term headwinds](#), as grounded planes have reduced oil demand. But it has accumulated \$13 billion in liquidity to use this opportunity to repair old pipelines while continuing paying dividends. If you invest \$500 a month in Enbridge for six months, you can earn \$250 in annual dividends.

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