



CRA Update: The CERB Officially Ends Tomorrow!

Description

It's the end of an era. After months of paying Canadians support during COVID-19, the CERB is officially ending. On October 3, the CERB is formally closed. The last payment period ended on September 27, but tomorrow is the official end date. After that, you may still be able to receive retroactive payments, but no new benefits will be paid out.

What the end date means

The CERB's October 3rd end date is a bit of a technicality. The final payment date for CRA applicants was September 26, so new CERB benefits were effectively over on September 27. According to Canada.ca, the CERB is available through Service Canada for people who [exhausted their EI benefits between December 2019 and October 3 2020](#). It appears that the October 3rd end date mainly covers that group of individuals.

How to get support after the CERB ends

If you're worried about the CERB ending, there's some good news for you. The Federal Government has rolled out three CERB replacements that cover just about everybody who would have previously gotten the CERB:

- [Revamped EI](#): A new form of EI that pays \$500 a week at minimum.
- Recovery benefits (CRB): A CERB-like benefit for self-employed people who are out of work.
- Caregiving benefit (CRCB): Another CERB-like benefit for people caring for COVID-impacted dependents.

Each of these benefits pays at least \$500 a week. EI can actually pay more than that. If you're eligible for EI, the transition away from CERB may actually be a good thing. If you're not, then you'll likely be covered by one of the other two benefits, which pay a flat \$500 a week.

Foolish takeaway

The replacement of the CERB with new benefits has major economic implications. The economy depends on consumer spending to keep growing. But when people are out of work, they cut back their spending. If they were out of work with no support, they may not spend at all. So, programs like the CERB could go a long way toward keeping the economy afloat.

Consider a company like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). This is a company that has done extremely well in the age of COVID-19. As an online retail company, it profited when businesses were shut down and consumers went online. In the second quarter, it grew its sales by 97% and posted positive profits. It was its best quarter in years.

But without financial support for consumers, even a company like Shopify could take damage. In this period of mass unemployment, online retailers could take a big hit if people didn't get financial support. Yes, consumers shifted to online shopping in Q2. But that's because they had disposable income to spend. If they didn't have any, they'd cut discretionary spending out of their budgets and spend only on staples. So, without programs like the CERB, even a massively successful company like Shopify could be in trouble. The replacement of the CERB by new benefits is therefore good news for investors.

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