



## Service Canada CERB Alternative: How to Apply for the \$2,000 EI

### Description

The Justin Trudeau government has brought back the Employment Insurance (EI). But this time, the EI has introduced temporary changes to help Canadians get back to work in the COVID-19 economy. In the current economy, the unemployment rate has surpassed the 2008 peak. If you have been receiving an EI claim before the pandemic, you will get the benefit. But the amount you will get depends on your first application.

### Are you eligible for the \$2,000 EI?

When Prime Minister first announced that EI would replace Canada Emergency Response Benefit (CERB), many analysts raised doubts if those who lost their job for non-pandemic reasons would also get the new EI.

To answer this question, I looked into the new eligibility criteria. The Service Canada (SC) website [states](#) that you "lost your job through no fault of your own." This means you can get the new EI even if you lost your job for non-COVID-19 reasons. But you should be searching for a job. And if you are not returning to work, it should be for COVID-19 reasons.

All other requirements remain the same except for the minimum insured working hours needed to qualify for the benefit. SC has reduced the minimum working hours to 120 (three weeks full-time) from 420 (2.5 months full-time).

The old EI had no minimum benefit amount. The SC made some adjustments to the benefits calculations ([increased minimum unemployment rate to 13.1%](#)) to ensure the minimum benefit amount comes to \$2,000 a month for at least 26 weeks.

Most Canadians would be better off getting the new EI. But for that, you should have accumulated 120 insured working hours in the last 52 weeks from March 15.

## How to apply for the \$2,000 EI

I will present two scenarios where you have and where you don't have sufficient working hours.

If you have 120 hours in your EI, log in to your My Service Canada account and apply for the benefit bi-weekly or monthly. Those who are making a fresh claim can complete the online application and qualify for the new \$2,000 EI. But if you had an ongoing EI claim before you transitioned to CERB, be careful when applying.

If you don't cancel your previous claim and apply for a new one, the SC will automatically continue your ongoing claim. And if you apply for a new claim, you will lose the weeks remaining in your previous claim.

For instance, Jake has 200 working hours in his EI. He has an ongoing claim of \$350 a week for 10 more weeks. He should cancel his old claim and apply for the new EI where he can get \$500 a week for 26 weeks.

If you don't have 120 hours in your EI, you are not eligible for the new EI and can apply for the Canada Recovery Benefit (CRB). However, if you have an ongoing EI claim and some weeks are left in it, then you can't apply for CRB. You will have to apply for EI, and SC will reactivate your old claim.

For instance, Mary has 100 working hours in her EI. She has an ongoing claim of \$350 a week for 10 more weeks. She is not eligible for the CRB or the new EI. But she can continue her old claim.

## Make the most of your benefit

The government's generous cash benefits are driving the stock market to new highs. The **TSX Composite Index** surged 49% from its March low on the back of CERB. Tech stocks were the biggest beneficiaries. If you missed this rally, here is your chance. The rally has just begun. Invest \$400 every month in the **iShares S&P/TSX Capped Information Technology Index ETF** ([TSX:XIT](#)) and get exposure to some of the top tech stocks.

The XIT ETF surged 80% from its March low, outperforming the market. The ETF surged on the back of **Shopify**, **Kinaxis**, and **Lightspeed POS**, which rose by the triple digits. If you invested \$400 from your first CERB payment in XIT through Tax-Free Savings Account (TFSA), you would have \$720 by now. While the ETF might not replicate similar growth, it can still beat the market.

### CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. TSX:XIT (iShares S&P/TSX Capped Information Technology Index ETF)

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