



Is the CERB Extended in October?

Description

Heading into October, a lot of people are wondering whether the CERB is being extended again. *Google Trends* shows an 84% increase in search queries for “CERB” from September 13 to October 3. It’s the same story with the more specific query “CERB extended”—suggesting that many Canadians are wondering whether they can keep getting the CERB in October.

If you’re one of those Canadians, I have some good news and some bad news for you.

The bad news is that you can’t keep getting the CERB past October. Apart from retroactive payments for missed periods, the program is closed.

The good news is that the CERB is being replaced by several new benefits. You may have heard about the rollout of a revamped EI system that pays \$500 a week at minimum. That’s a real thing, and there are other benefits being rolled out as well. In this article, I’ll be exploring three of the lesser-known ones.

Three new benefits

In total, there are four main benefits being rolled out to replace the CERB — that is, EI plus three totally new benefits.

You’re probably familiar with EI. The new system is the same as the old one, but with a [\\$500 weekly minimum payment](#), and a lower hours’ requirement. Apart from those two things, not much is new. The three totally new COVID-19 benefits, on the other hand, are pretty novel. They all pay a flat \$500 a week and resemble the CERB itself in many ways. In no particular order, they are:

- **The CRB.** A \$500 weekly benefit for non-EI eligible Canadians out of work due to COVID-19.
- **The CRCB.** A \$500 weekly benefit for Canadians out of work to care for someone impacted by COVID-19.
- **The CRSB.** A \$500 weekly benefit for those unable to work because they're sick with COVID-19, or forced to self-isolate.

Unlike EI, these three benefits are capped at \$500. They also have [different eligibility standards](#). The CRB requires that you not be eligible for EI. The CRCB requires that you care for dependents. The CRSB requires that your own health be impacted by COVID-19. In general, these programs are more "targeted" than the CERB was. But between the three of them and EI, just about everybody who received the CERB will be eligible for coverage.

A big win for the Canadian economy

The transition from the CERB to new post-COVID benefits is a big win for the economy. Economic growth depends on consumer spending, and cash transfers help keep spending afloat when unemployment is rampant.

Consider a company like **Canadian Tire Corp** ([TSX:CTC.A](#)), for example. It's a major Canadian retailer that got hit hard by the COVID-19 pandemic. In the first quarter, it lost \$0.13 per share, mainly because fuel sales tanked and clothing stores were forced to close.

A company like CTC.A that sells a lot of discretionary items like clothing will naturally suffer when consumer spending falls. One of the first things consumers do when they lose work is to cut spending back to staples. Government benefits, however, can help keep consumer spending afloat during periods of economic contraction. That's good for companies like Canadian Tire—and for the broader economy.

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