



Confused About CERB Ending? You Might Qualify for EI

Description

On September 30, 2020, legislation authorizing new benefits to replace the Canada Emergency Response Benefit (CERB) has passed in the House of Commons. While waiting for the Senate's approval, CERB recipients who [still need income support](#) are confused. They're trying to figure out what to do to qualify for the next round of federal aid.

The Canada Revenue Agency (CRA) and Service Canada paid a combined total of \$79.3 billion to 8.8 million people. Each one received \$500 weekly in taxable benefit for 28 weeks. The estimate is that roughly four million Canadians on CERB will transition to the new system.

According to government sources, the first payment can come on the week of October 11, 2020. Nearly 80% should receive their payments by October 14, while 10% can expect to receive their benefits within the first two weeks. Like CERB, \$500 per week is the floor, and the period is for 26 weeks.

Automatic transition

If you applied for and received the CERB through Service Canada and is eligible for EI, the transition to the revamped EI system is automatic. However, if you applied and received CERB payments through the CRA, you need to apply for EI.

The rules are more relaxed, so many can qualify for the enhanced EI system. Employment and Social Development Canada said Canadians with 120 hours of insurable work or more could be eligible. You must provide a temporary, one-time credit of 300 insurable hours if you're claiming EI regular and work-sharing benefits.

Non-EI qualifiers

For those ineligible or not covered by EI, including self-employed individuals, there are three temporary benefits available depending on your circumstance. You can apply for the Canada Recovery Benefit

(CRB), Canada Recovery Sickness Benefit (CRSB) or Canada Recovery Caregiving Benefit (CRCB).

Finance Minister Chrystia Freeland said the measures would enable Canadians to continue receiving income support and have sufficient resources to fight against the COVID-19 pandemic. CERB [helped Canadians increase their household savings](#) in the first two quarters of 2020.

If regular income returns, it would be best to start saving and investing. The **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) is among the top investment choices because it's the stock with the most extended dividend payment history. This \$50.03 billion bank started it all. Its track record dates back to 1829 or 191 years. The payouts were steady despite recessions and cyclical markets.

Because of BMO's unmatched record, the bank stock is the most investor-friendly on the **TSX**. The current share price of \$77.95 is a good entry point, as it's still down by 19.6% year-to-date. Analysts project the price to recover and climb by 22% to \$95 in the next 12 months as the economy recovers.

BMO pays a 5.35% dividend such that a \$50,000 investment will generate \$2,675 in passive income. The capital will compound to \$141,794.96 in 20 years. You have a perfect replacement for CERB.

Changeover

The CERB era is over. Your transition to the new scheme should be smooth if you can learn soon where you can qualify. Also, consider dividend investing next to create a more lasting cash inflow.

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