



## CRA: There Is a Way You Can Get Both CERB and CRB in October

### Description

The Canada Revenue Agency (CRA) has launched the Canada Recovery Benefit (CRB) that will replace the Canada Emergency Response Benefit (CERB). The Justin Trudeau government has ensured that all CERB recipients get a similar \$2,000 monthly support from the CRB and Employment Insurance (EI). The CRB will give you \$500 a week for up to 26 weeks. However, the CRA would [deduct a 10% tax at source](#) from the CRB, which means you will get \$1,800 CRB.

This benefit is available between September 27, 2020, and September 25, 2021.

### The difference between the CRB and the CERB

The eligibility for the CRB and the CERB is more or less similar with a few alterations. The CRA has altered the CRB in a way to encourage Canadians to return to work — something the CERB lacked. It is giving CRB even to those who have returned to work but got a 50% pay cut. It is also penalizing those who decline reasonable work just to get the CRB.

If you were eligible for CERB, you are likely to be eligible for CRB, provided you meet some additional requirements:

- You have a valid Social Insurance Number (SIN) and don't have an EI.
- For the period you are claiming the CRB, you are not claiming or receiving any other benefits like the CRA's sickness and caregiving benefits, short-term disability benefits, workers' compensation benefits, and Québec Parental Insurance Plan benefits.

If you meet the above conditions, you can apply for the CRB after the end of two weeks. The rest of the application and payment process is similar to the CERB.

### You can claim both CRB and CERB for October

If you have to claim the CRB, the application window opens on October 12. For the CRB, you will have

to apply bi-weekly after the benefit period ends. So, for the September 27 to October 10 period, the earliest you can apply is on October 12. The next two-week period application will open on October 26.

While claiming CRB for October, you can also apply for the previous period's CERB you did not claim. The CRA offered \$2,000 in monthly CERB from March 15 to September 26. There are [seven periods listed](#) on its application. If you were eligible for any one of these periods but did not apply for the benefit, you can apply now. The CRA will make retrospective CERB payments until December 2.

You can apply for your retrospective CERB today and apply for the CRB on Monday. By the end of next week, \$2,900 would be credited in your account (\$2,000 CERB and \$900 CRB).

## Maximize your CRA benefits

Remember, these CRA cash benefits are taxable. You might foot a tax bill for the CERB and CRB benefits in April 2021 when you file your 2020 tax returns. It's better to start preparing for it now. You can set aside \$900 from your October benefits and invest it in the **iShares S&P/TSX Capped Information Technology Index ETF** ([TSX:XIT](#)). The ETF will give you exposure to the growth of the most trending tech stocks. These stocks have grown twofold and threefold during the pandemic and are still rising.

The XIT has around 50% of its holdings in **Shopify** and **Constellation Software**. They have surged 160% and 19%, respectively, this year. A mix of high growth and decent growth stocks has helped the XIT ETF surge 44% year to date. The tech stocks saw a pullback in September as investors cashed out some of their investments over concerns around the new benefits.

The new recovery benefits have given rise to another rally. If you had invested \$500 from your first CERB payment in the XIT ETF, you would now have \$740 in your account. If you invested in the ETF through Tax-Free Savings Account (TFSA) the \$240 investment income would be excluded from your taxable income. The XIT ETF still has the potential to surge 15%-20% in the next 12 months.

### CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:SHOP (Shopify Inc.)
4. TSX:XIT (iShares S&P/TSX Capped Information Technology Index ETF)

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**Author**

pujatayal

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