



New \$2,000 Canada Recovery Benefit: Application Window Opens on October 12

Description

Have you logged in to the Canada Revenue Agency (CRA) website to apply for the new benefits? The agency [opened the application window for](#) the Canada Recovery Sickness Benefit (CRSB) and the Canada Recovery Caregiving Benefit (CRCB) on October 5. But the application window for the \$2,000 Canada Recovery Benefit (CRB) will [open on October 12](#). This is because the benefit period for CRCB and CRSB is one week, whereas the benefit period for CRB is two weeks.

I would suggest you take this time to study the benefit. Here I will talk about the eligibility and the application process for the CRB.

Are you eligible for the Canada Recovery Benefit?

The CRA has created the CRB, especially for those who don't have an Employment Insurance (EI) or have exhausted their EI benefit. The CRB is an unemployment benefit for people living in Canada who are above 15 years of age with a valid Social Insurance Number (SIN). Even if you are not a Canadian citizen, you can get the CRB if you have a house in Canada and meet the eligibility.

You can apply for the CRB if the following points are true for you:

- You lost your job or took a 50% pay cut due to COVID-19. For instance, you have returned to work and are earning similar or 70% of your average weekly income in the last 12 months or in 2019, then you are not eligible for the CRB.
- You should have earned at least \$5,000 in working income in 2019 or the last 12 months from the application date.

In both cases, the income calculation excludes any COVID-19 cash benefits, parental benefits, pensions, and student loans you received in the last 12 months or in 2019.

- If you voluntarily quit or reduced your working hours, the CRA won't give you the CRB. You should be actively seeking work. If you refuse to take reasonable work, the CRA will cut your CRB.

For instance, Jane lost her job during the pandemic. She has been actively seeking a job. While Jane did get an offer to work, the pay was just 40% of what she earned last year. If she takes that job, she will be eligible for the CRB for up to 26 weeks as long as her pay doesn't increase.

When applying for the CRB, ensure you don't apply or receive any other unemployment, parental, or sickness benefits either from the CRA, the state government, or your employer.

How to apply for the Canada Recovery Benefit

If you meet all the above requirements, you can apply for the CRB from your My CRA account. If you have applied for the Canada Emergency Response Benefit (CERB) from the CRA, the procedure is the same. The only difference is the benefit period and the time of application. The CRB benefit period is of two weeks starting from Sunday and ending on the second Saturday. The CRB application window opens on the following Monday and is available for 60 days.

The first benefit period is from September 27 to October 10. If you are eligible for this period, you can apply for CRB anytime between October 12 and December 11. The CRA will review your application and credit \$900 (1,000 – 10% tax of \$100) in your account in three to five business days.

Make the most of your CRA benefit

You can maximize your CRB by putting some of the benefits in stocks through your Tax-Free Savings Account (TFSA). One such stock is **Enghouse Systems** ([TSX:ENGH](#)).

Returning to the previous example, Jane applies for CRB five times and invests \$200 from the benefit amount in Enghouse every time. Her contribution is \$1,000 by the end of this year. By 2024, her money would grow to \$2,000 if Enghouse stock maintains its compound annual growth rate (CAGR) at 20%.

However, the pandemic has accelerated Enghouse's growth as the work from home culture increased demand for video conferencing. It is benefitting from its last year's acquisitions of Vidyio, Dialogic, and Espial, which support visual communications and video services.

All of these factors drove Enghouse's second-quarter revenue 58% year over year, and the stock surged 46% year to date. However, the stock's growth has flattened since June. But it has the potential to grow in the coming three years.

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