



Canada Revenue Agency: Can Unemployed Canadians Get \$500 CRCB/CRSB?

Description

The Canada Revenue Agency (CRA) has introduced three new recovery benefits, and all three pay \$500 a week before tax. The Canada Recovery Benefit (CRB) is for Canadians who have lost their job or taken a 50% hit on their average weekly income because of COVID-19. It has also introduced the Canada Recovery Caregiving Benefit (CRCB) and Canada Recovery Sickness Benefit (CRSB). Now, you must be wondering, can unemployed Canadians get the sickness or caregiving benefits?

The CRA COVID-19 benefits

To answer this question, I will first look at the purpose of the three benefits.

The CRB will provide financial support if you are unemployed and are actively searching for a job. You can get the CRB while you work, but that work should pay you 50% less than your average weekly income in the last 12 months or in 2019.

The CRCB will provide financial support if you are working, but [have to stay home and care for dependents](#). This caregiving should impact 50% of your available working hours for that week.

The CRSB will provide financial support if you are working and have fallen sick or contracted COVID-19 and have to self-isolate yourself. Self-isolation or sickness should impact that week's working hours by 50%.

The CRCB and CRSB support the employed

The CRCB and CRSB are for those who are working, but don't have any caregiving and sickness benefit or paid sick leaves. For instance, Jack owns a local barbershop. He may not have paid sick leaves or caregiving benefits. So if he contracts COVID-19, he loses his daily earnings and can apply for CRSB.

In a different scenario, Anna is a freelance writer and does most of her work from home. Her daughter

falls sick, and she has to take care of her for a week. But this caregiving reduces her working hours by 20%. Instead of 25 hours a week, she works for 20 hours. She won't be eligible for the CRCB.

Can the unemployed get CRCB and CRSB?

The CRA website [states that](#) you should be "employed or self-employed on the day before your first application period." Hence, if you are unemployed, you can't apply for the CRSB or CRCB. You can only apply for the CRB. But you can apply for all the three benefits if you have taken up a lower-paying job (50% income cut).

For instance, Amy was an air hostess, but she lost her job because of the pandemic. Even after six months, she can't find a job. She received the CERB for all the seven periods. Now, she can claim the CRB. While she continues to search for a permanent job, she starts working part-time as a grooming trainer for five hours a day and earns 40% of what she earned in 2019. Amy can apply for CRSB if she falls sick as she can't take classes for an entire week.

The CRA has designed all three benefits in a way that supports Canadians to get back to work.

Let your CRA benefits work for you

The CRA recovery benefits can work both ways; benefits can help you get back to work and you can make the benefits work for you. Here's how. Keep 75% of the benefit amount for your expenses and invest the remaining 25% in stocks like **Kinaxis** ([TSX:KXS](#)) through Tax-Free Savings Account (TFSA). The stock surged 97% this year, its highest growth since 2015 when it surged more than 150%.

Kinaxis is into supply chain planning solutions and caters to large enterprises. It has stable cash flows as it earns revenue from long-term subscriptions. The pandemic has delayed some contract renewals and signing of new contracts, but they will materialize in the second half as the economy recovers and business-to-business volumes return. The company is growing its revenue and adjusted EBITDA at a CAGR of 16% and 14%, respectively.

The pandemic and the U.S-China trade feud have created new challenges in the supply chain. More companies are optimizing their operations to improve efficiency, which would boost demand for Kinaxis' solutions. The stock could reach its all-time high of \$225, representing a 10% upside. It can grow further as the liquidity from the recovery benefits is diverted to the few virus stocks that have growth potential.

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Author

pujatayal

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