



The CRA's New Recovery Benefits Are Here! How Much Can You Get?

Description

The Canada Revenue Agency (CRA) has unveiled the new recovery benefits that have replaced the Canada Emergency Response Benefit (CERB). But this time, it has something for everyone, employed and unemployed. The CRA has built the new recovery benefits on the lines of Employment Insurance (EI). They give you EI-like unemployment, sickness, and parental benefits for no premium. You can't ask for more.

The CRA's new recovery benefits at a glance

The CRA has [launched new benefits](#) to help Canadians and those living in Canada get back to work in the COVID-19 economy.

The CRB

The COVID-19 economy is very volatile, and lockdowns due to virus spread are normal. Moreover, the job market is very volatile. Businesses are hiring more part-timers than full-time employees.

To help residents of Canada adapt to this environment, the CRA has unveiled the Canada Recovery Benefit (CRB). People who are unemployed or who's income has reduced by 50% because of COVID-19 can avail of this benefit. You can apply for this benefit every two weeks, and it will pay you \$1,000 for every application. But the CRA will deduct 10% tax at source, which means you will get \$900 in your account.

You can get up to \$11,700 after tax in CRB for up to 26 weeks (13 two-week periods).

The CRSB

It's not just the unemployed who need support. Even those who are working need financial support. The Justin Trudeau government realized that a sickness benefit is a necessity in the pandemic era. It

doesn't want people who are sick or those who have contracted COVID-19 to come to work. Hence, it has ensured that everyone who is working gets paid sick leaves.

The Canada Recovery Sickness Benefit (CRSB) will pay \$450 a week for a maximum of two weeks for those who don't have sickness benefits or paid sick leaves. You can apply for this benefit if you have fallen sick or are under a 14-day quarantine, and this has reduced that week's working hours by 50%.

You can get up to \$900 in CRSB for up to two weeks. The application window for this benefit opens after every one week (starting from Sunday and ending on Saturday) on the following Monday.

The CRCB

Like EI offers parental benefits, the CRA offers the Canada Recovery Caregiving Benefit (CRCB). Children below 12 years of age or a family member with a disability or critical illness need constant caregiving. There are schools, daycare facilities, and caregivers who take care of them while the earning member of the family goes to work.

In the pandemic era, if these dependents or caregiver contract COVID-19, or schools and care facilities are closed due to the virus spread, the working member of the family has to wear the caregiver's hat. Hence, the CRA is giving \$450 a week in CRSB to working individuals who have to stay home and care for dependents due to COVID-19.

A household can get up to \$11,700 in [CRCB for up to 26 weeks](#). Its application process is similar to CRSB.

Make the most from the CRA benefits

You can make the most of the generous cash benefits CRA is offering this year and next by setting aside \$500 every month from the \$1,800 in benefit payments in the Tax-Free Savings Account (TFSA). Adding up seven months of CERB and three months of CRB, your contribution will total \$5,000 by the end of this year. You can add another \$1,000 from your working income from part-time work and max out on your 2020 TFSA contribution.

Invest this amount in trending tech stocks. Instead of putting all your money on one stock, diversify your risk by investing in the **iShares S&P/TSX Capped Information Technology Index ETF** ([TSX:XIT](#)).

The ETF gives you exposure to the growth of 18 tech stocks. It has more than 50% exposure to software stocks, which are the key beneficiaries of the pandemic. The ETF fell 9% in the September correction, but returned to growth, surging 6% since September 26 after the government announced the new recovery benefits.

CATEGORY

1. Coronavirus
2. Investing
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1. TSX:XIT (iShares S&P/TSX Capped Information Technology Index ETF)

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