



Canada Recovery Benefit (CRB): Can You Get It?

Description

Employment Insurance has been around for ages in some form. You can trace its history back to 1940. Yet, when the pandemic hit and millions of people lost their jobs, the CERB got the limelight as the “saviour” benefit program for Canadian residents. Now that it’s over, millions of people that are still out of a job because of the pandemic are a bit apprehensive about switching to the EI, especially those who don’t fit neatly into the EI requirements and might not qualify.

And for many such people, “CRB – Canada Recovery Benefit” is the new financial lifeline.

The abbreviation CRB is far too similar to the CERB. We don’t know whether it is by design or merely a happy accident, but the CRB is expected to be just as powerful in helping people desperately in need as the CERB was. The primary rationale behind the CRB is to help the people who don’t fit the bill for the EI, which was designed for “conventional sources of earnings,” primarily day jobs.

But the gig economy has gotten quite strong in recent years. In 2016, there were about 1.7 million gig workers in Canada. The number would have rapidly increased in recent years as more and more gig platforms were introduced and allowed Canadians alternate ways to earn.

For these people, the CRB will serve as a makeshift EI replacement.

Can you get the CRB?

Yes, you can, if you:

- Don't qualify for EI.
- Are 15 years or older and have a valid SIN.
- Your income in 2019, 2020, or 12-years preceding the CRB application was \$5,000 or more.
- You are not receiving (or have applied for) the CRSB, CRCB, worker's compensation benefits, or the QPIP benefits.
- You can't work, or your income has been reduced to half.
- You are actively looking for paid work.

Since gig work is very different from regular day jobs, we don't know how effectively the government will track CRB recipients' efforts for finding paid work. But the government will most likely be more stringent with CRB requirements and more discerning with its distribution than with the CERB.

One of the reasons to switch everyone to the EI was to ensure that Canadians start expanding every reasonable effort for finding work. The CRB will most likely follow the same attitude.

With CRB, you will get \$900 for two weeks (for a total of 13 instances at max). The actual amount is \$1,000 (or \$500 a week just like CERB), but unlike the former program, CRB is paid after withholding 10% tax at the source. But that doesn't mean it's tax-free. The actual tax amount may be higher for you, and you will have to file and pay it like your regular income.

A better alternate

Though it doesn't quite hit the mark, if you had invested \$10,000 in **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) about 24 years ago (start of 1996), when [the company](#) started its dividend growth streak that it has sustained to this day and chose to reinvest dividends, you'd now be sitting at about \$261,000 (and nearly 6,514 shares). This means at its current yield of 8.15%, you would get over \$1,750 in dividend income every month. That's just \$50 short of the CRB.

Despite being in a very safe position compared to many other companies in its sector, Enbridge's revenues are suffering due to the uncertainty around oil and depleting oil demand. But the company has still managed to reward investor loyalty by not [slashing its dividends](#), even at such a high payout ratio.

Foolish takeaway

The government is doing its duty and ensuring that its people are taken care of. But whether its CRB or CERB, they are all temporary benefits. In order to become self-sufficient, you have to have your own nest egg and passive income sources. And the best way to get both is to save and invest and fully use the power of registered accounts.

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