



Canada Revenue Agency: CERB vs. EI — Which Is Better?

Description

The Canada Revenue Agency (CRA) has completed its [mission of disbursing pandemic money](#) to millions of Canadians during the trying moments from March to September 2020. The Canada Emergency Response Benefit (CERB) is over, and the Employment Insurance (EI) system will take over in the recovery phase.

A CERB recipient would have received the full amount of \$14,000 (\$500 weekly, or \$2,000 per month) for 28 weeks. However, CERB payments officially end on October 3, 2020. Displaced Canadian workers who still need income support hope the new schemes are comparable, if not better than CERB.

The transition to EI

Employment Minister Carla Qualtrough expects about three-quarters (2.8 million) of current CERB recipients to transition to the EI system. If you're still receiving CERB through Service Canada, the transition to EI is automatic. People who applied for CERB with the CRA need to apply to Service Canada to access the EI benefits.

The EI is more flexible now, so as many as possible could receive the benefits from Service Canada. You only need 120 hours to qualify for benefits, as the program provides a temporary, one-time credit of 300 insurable hours for claimants of EI regular and work-sharing benefits.

Comparison

So, how does the new EI compare with the defunct CERB in terms of amount and duration? The taxable benefit amount is variable, with a minimum of at least \$500 per week and the 2020 EI maximum of \$573 per week. The EI claim will run for a minimum of 26 weeks of benefits, although it could last up to a maximum of 45 weeks, depending on your region's unemployment rate.

Service Canada will review each EI application based on an applicant's circumstances. If you refuse to return, it might constitute a voluntary leave under Section 29 of the Employment Insurance Act. You

won't qualify unless you have a just cause for refusing an employment opportunity.

Constant income stream

Whether it's CERB or EI, both taxable benefits are temporary. If you have spare cash, invest in an asset that can provide a [constant income stream](#). You don't need to transition from one program to another. Buy the stock today and hold it for good.

I don't need to give an extensive explanation of why **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is the hands-down choice of income investors. This \$50.37 billion company provides telecommunications and internet services. The nature of the business is enough justification.

BCE, along with two other industry peers, operate in a near monopoly. The company has sufficient scale and a healthy balance sheet. Generating massive cash flows is inherent, because the products and services are vital needs, whether business or personal.

As the subscriber base of BCE grows, free cash flow and gross margins will increase. If you invest in this blue-chip asset today, the dividend is a lucrative 5.98%. Your income from a \$25,000 investment is \$1,495.

Multiple choices

If you're ineligible for EI or unable to work, three income support measures are available. Each pays \$500 weekly (CERB equivalent) for at least 26 weeks. You can qualify for the Canada Recovery Benefit, Canada Recovery Sickness Benefit, or Canada Recovery Caregiving Benefit, depending on your circumstance.

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