



CERB Extension: How to Get \$13,000 in CRA Cash

Description

The CERB ended earlier this month. But it's still possible to get \$500 a week from the CRA. Since the CERB expired, the CRA has rolled out three new benefits that pay the same amount as the CERB. In fact, they could pay more in total.

While the CERB was only available for a month, these three new benefits will be available for a whole year. You could get paid for up to half of that year. That brings the total amount of money available from these benefits to \$13,000.

In this article, I'll be exploring the three new "CERB extension" benefits the CRA has rolled out — and how to get them.

Three options for \$13,000

The three new "CERB extension" benefits the CRA introduced this month are

1. The Canada Recovery Benefit (CRB): A [\\$500 weekly benefit](#) for those not eligible for EI.
2. The Canada Recovery Caregiving Benefit (CRCB): A \$500 weekly benefit for people caring for COVID-impacted dependents.
3. The Canada Recovery Sickness Benefit (CRSB): A \$500 weekly benefit you can get if you yourself have been impacted by COVID-19.

Each of these benefits pays the same amount, with the same availability period. Total pre-tax benefits for each of them max out at \$13,000 over 26 weeks. Unlike the CERB, the recovery benefits have \$50 in taxes withheld immediately per week. So, the amount you can actually physically receive is \$11,700 over 26 weeks.

How to apply for the benefits

Regardless of which CERB extension benefit you apply for, the procedure is the same:

1. Log in to your account on Canada.ca.
2. Set up direct deposit.
3. Fill out your application in CRA MyAccount. To get to the application form, click on “recovery benefits” at the top of the page.

Foolish takeaway

The CRA’s new recovery benefits are a huge boon to Canadians whose CERB expired this month. Paying up to \$11,700 after tax, they can make a major difference in the lives of COVID-impacted Canadians.

They could also help to establish future financial security. The three new post-CERB benefits pay enough that they could be used to build a nice passive-income stream for a rainy day.

Imagine you invested \$11,700 in **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) stock. That’s a [bank stock](#) that pays a regular dividend (cash payout) every quarter. On an annual basis, RY shares have a 4.44% yield. That means that if you invested \$11,700 in the stock, you’d get \$514 in cash back every year. That would be a nice income supplement. And it could grow in the future.

Stocks sometimes increase their dividends. Over the past five years, RY has increased its dividend by 7.3% per year. If that continues into next year, then the \$514 dividend payout would grow to \$551. And so on and so on, until eventually, you have a pretty sizable income stream going.

Of course, none of this is “guaranteed” to happen. But the point stands: investing in dividend stocks is one of the most promising things you can do with your money.

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