



New \$13,000 CRB: Are You Eligible?

Description

After the Canada Emergency Response Benefit (CERB), Canadians who can't [transition to or qualify for Employment \(EI\)](#), the available income support measure is the Canada Recovery Benefit (CRB). The CRB is one of three new temporary recovery benefits contained in the recently passed Bill C-4.

I will only dwell on CRB because it's the direct [replacement to the defunct CERB](#). The CRB provides self-employed individuals and workers who are not eligible to claim EI benefits. A claimant could receive \$500 per week for up to 26 weeks or a total of \$13,000 for the program period.

Eligibility requirements

To be eligible, an applicant must be at least 15 years old, a Canadian resident, must be present in the country for the application period, and has a valid be at least 15 Social Insurance Number (SIN). However, a repayment mechanism is in place.

A person whose income in 2020 or 2021 is more than \$38,000 will be required to repay an amount equal to 50 cents for every dollar of income earned in that year.

The individual must have earned a minimum of \$5,000 in 2019, 2020, or the 12 months preceding their first application for this benefit. Income must be from the following: employment, self-employment, income, EI maternity or parental benefits or Quebec Parental Insurance Plan (QPIP) benefits.

An important criterion is that you must have stopped working due to the COVID-19 pandemic, but remain available and looking for work. You can also receive CRB if you have continued working but have suffered at least a 50% reduction in employment or self-employment income for COVID-related reasons. You can't, under any circumstances, quit your job voluntarily.

If you're applying for CRB, make sure you're not receiving the CRCB, the Canada Recovery Sickness Benefit (CRSB), Canada Recovery Caregiving Benefit (CRCB), any EI or QPIP benefits, short-term disability benefits, and workers' compensation benefits.

Look beyond CRB

A global enterprise and the largest bank in Canada is an excellent source of investment income. Dividend earnings from the **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) can replace CRB when the program ends after 26 weeks. You can buy-and-hold the bank stock and receive recurring income for life.

This \$138.45 billion company is second only to **Shopify** in terms of market capitalization. Interestingly, an analyst said that Royal Bank's dividend payouts in 2019 are more than the e-commerce platform's total revenue. For that reason, this blue-chip stock is a compelling investment.

Royal Bank's dividend track record stretches back to 1870. At present, the dividend yield is 4.42, while the payout ratio is 54.76%. A \$100,000 investment will produce \$1,105 in quarterly income. In 20 years, your capital would more than double to \$237,505.56. You're safe investing in a respect Canadian brand. Royal Bank offers diversified financial products and services in a vibrant and resilient industry.

The CRA window is open

Bill C-4 is *an act relating to certain measures in response to COVID-19*. Effective October 12, 2020, you can apply for the CRB with the Canada Revenue Agency (CRA). If you're eligible, apply online through the CRA's My Account portal or call its automated phone line.

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