



No Canadian Left Behind: The \$2,000 CERB Is Now EI

Description

Employment Insurance (EI) is the new pandemic lifeline, as Canada restarts the economy. It replaces the Canada Emergency Response Benefit (CERB), but [the promise](#) of the Trudeau administration is unchanged.

The transition to EI has begun, and jobless Canadians need not worry about disruption in financial support. EI claimants will receive the same \$2,000 monthly in taxable benefit for at least 26 weeks.

Seamless transition

The federal government is aware of people's apprehension regarding the [transition from CERB to EI](#). Most of the concerns centre on the qualifying period. To qualify for EI, you must accumulate the required number of insurable hours. That was before. But since it's a pandemic, the rules need to change.

Under the new scheme, individuals can qualify with a minimum of 120 hours of work. If you're unemployed and claiming EI regular benefits, you get a one-time 300 insurable hours. For EI special benefits (sickness, maternity/parental, compassionate care, or family caregiver), the one-time credit is 480 insurable hours.

Keep in mind that the hours credit is available for new EI claims and valid for one year. The government made these changes, because it knows the labour market conditions are uncertain and will not stabilize soon. The transition is automatic if you received CERB from Service Canada.

If your source is the CRA, you must apply for EI. Another government commitment is freezing the EI premium rate for employees at the 2020 level (\$1.58 per \$100 of insurable earnings for two years). No employee and employer will pay increased EI during this challenging period.

A suite of recovery benefits

Don't despair if you still can't qualify for EI. Three new recovery benefits are on stand-by. The CRA is now accepting applications for the Canada Recovery Benefit, Canada Recovery Sickness Benefit, and Canada Recovery Caregiving Benefit. While each measure focuses on specific circumstances due to COVID-19, the taxable benefit and period are the same (\$500 weekly for up to 26 weeks).

Create your own

Canadians have become conscious of their financial well-being as a result of the pandemic. Household savings rate jumped 28%, which means people were not spending their entire CERB. You could improve your financial condition if you were to invest your free cash in dividend stocks.

TELUS ([TSX:T](#))([NYSE:TU](#)) is the best choice today, given the high-growth, next-gen 5G opportunities. This \$31.05 billion company and second-largest telco in Canada pays a hefty 4.83% dividend. A \$50,000 initial position will produce \$2,415 in passive, no-frills, and no hassle.

You would be investing in one of the three vaunted companies that have been ruling the telecom industry for years. Instead of putting up a media division like its peers, TELUS prefers to invest in telehealth and security, where margins are higher.

For as long as the industry remains impregnable to new players, TELUS's position is rock solid. Lastly, the company's average 4G LTE download speeds of 75.8 Mbps is hard to beat.

Worthy replacement

"No one will be left behind" is Prime Minister Justin Trudeau's most quotable quote in 2020. Indeed, his administration is taking decisive action and living up to its promise. CERB is over, but EI is a worthy replacement.

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