



CRB Update: How To Apply and Use the CRB Benefit

Description

The wildly popular Canada Emergency Response Benefit (CERB) has been replaced by the more focused Canada Recovery Benefit (CRB) program. Effective for a year, this program is meant to act as a bridge to financially support those who lose their jobs or are unable to work during this crisis.

A recent CRB update has also boosted the benefit to bring it more in line with the CERB program. Now, eligible applicants can expect \$1,000 (or \$900 after taxes) every two weeks for a period of 26 weeks. In other words, the government is offering \$1,300 in cash benefits to support everyone who isn't eligible for Employment Insurance or any other government benefit program.

If you're eligible, here's how you can apply for CRB benefit payments and what you can do to extend those payments by a few extra weeks.

CRB update: Application process

Applications for the CRB program opened on Monday this week. That means you can now visit the Canada Revenue Agency's (CRA) website, log in with your credentials and fill out the online form to start getting payments. You can also call the toll free numbers 1-800-959-2019 or 1-800-959-2041 any day of the week up to 9pm local time.

Once you apply, you'll receive the first \$1,000 deposited to your bank account right away. If you still meet the eligibility criteria after two weeks, you need to re-apply again to get the next \$1,000 payment.

How to use your CRB Benefit for extra income

The CRA will withhold 10% of the CRB payments in taxes. If you set aside another 10% and invest it in robust dividend stocks you could extend the benefits by a wide margin.

Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#)), for example, offers a juicy 8.3% dividend yield. The energy giant's business model is diversified enough to put a floor on its finances. This year, the management team expects to generate \$5.9 to \$6.3 per share in distributable free cash flow this year. The expected dividend is \$2.46.

In other words, Enbridge will earn roughly twice or thrice the amount it expects to pay in dividend. Investors can rest assured that their cash flow is uninterrupted by this historic economic and health crisis.

Investing just 10% of your CRB payments, a total of \$1,300, will generate \$107.9 in dividends every year. However, if you reinvest the dividends instead of claiming them right away, your initial \$1,300 could expand to \$39,321 within 10 years (assuming the stock price and dividends grow by an average of 5% every year).

\$39,321 should be enough to cover rent, food and fuel expenses for *an entire year!* That's the magic of investing and reinvesting in a stable growth stock like Enbridge.

Bottom line

The recent CRB update has boosted the amount of money applicants can expect every two weeks. Altogether, you could receive up to \$1,300 in total CRB payments by next year. Setting aside just 10% of this amount and investing in dividend growth stocks like Enbridge could vastly improve your financial situation forever.

CATEGORY

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