



CRA: Can You Get the \$1,000 CRB?

Description

Recently, the Canada Recovery Benefit (CRB) was the most talked about topic on all social media platforms as Canadians expressed their frustration around the application process. The Canada Revenue Agency (CRA) admitted there was a system glitch. It had changed the way it shares information with Employment and Social Development Canada (ESDC). But the CRA did not update its verification system with the new format, which led to the error code 026.

The chaos and confusion around the Canada Recovery Benefit

The error message stated that you are not eligible for the CRB, as you have applied for all periods. Most Canadians who had applied for all their Employment Insurance (EI) benefit periods got this message. They were already skeptical if they are eligible for the CRB or not? This is because the CRB is for those who don't have EI.

To ease the tension, Prime Minister Justin Trudeau [clarified](#) that even if you were on EI benefits before the pandemic and have exhausted them, you can apply for CRB.

Then there was also the confusion that if you lost your job for reasons other than COVID-19, but you can't get a new job because of COVID-19, can you get the CRB. This [confusion occurred](#) as an option on the CRB application read, "You stopped work for reasons related to COVID-19." The CRA changed the wordings to "you were not employed or self-employed for reasons related to COVID-19."

Who can get the CRB?

The CRA has finally resolved all glitches and confusion and asked people to apply again for the CRB. The benefit will pay you \$900 after tax for a two-week period. You will have to reapply as and when you become eligible. To be eligible for CRB,

- You should be an individual above 15 years of age, living and working in Canada, and have a residence here.

This one line includes Canadians as well as immigrants who have a home in Canada, but it excludes Canadians who don't reside in Canada.

The line also says "working." The CRA determines that you are a working individual if you earned at least \$5,000 from employment, self-employment, or parental benefits. This covers everyone from students to retirees who have earned this income.

- You should not be employed or your average weekly income reduced by 50% because of COVID-19 related reasons.

This line covers people who lost their job before the pandemic but are still jobless because the job market is weak or they are at high-risk medically because of which they can't go outside. The CRA won't give you CRB if you quit or voluntarily reduced your working hours on or after September 27. It will also not give CRB if you are not searching for a job and if you are rejecting reasonable work.

- You should have not applied or received other COVID-19 or EI benefits for the benefit period in question.

If the above three scenarios describe your situation, you can get the CRB.

My CRB is better than CRA CRB

The CRA CRB is taxable and has too many hassles. Then there are delays and fear of application being rejected. Learning from the CRA, you can create a personal benefits pool in your Tax-Free Savings Account (TFSA). You can access the My CRB pool anytime and withdraw the amount you need without worrying about taxes.

You can start with My CRB pool for as little as \$100 a week in a low-risk growth stock like **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)). The resilient nature of its supply chain solutions business limits its downside. The growing complexity around logistics because of a trade war, globalization of trade, and e-commerce's flexible orders and doorstep deliveries increases its upside.

Descartes is increasing its revenue at a compound annual growth rate (CAGR) of 12%. The stock is also growing at a CAGR of 25% for the last five years. This year, it surged 27%. The stock is currently down 20% from its September high, making it a good entry point.

Even if Descartes grows 20%, it will convert your \$5,200 (\$100*52 weeks) to \$5,800 in a year. That's a good start for My CRB.

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