



CRB Canada: How To Apply to the New \$13,000 CERB Replacement

Description

The Canada Emergency Response Benefit (CERB) is officially over, although millions of Canadians are still unemployed. The [government's plan after CERB](#) was to transition as many as possible to the simplified Employment Insurance (EI) program.

According to the Canadian Centre for Policy Alternatives (CCPA), only 2.1 million of the estimated four million people would be eligible for EI regular or special benefits. Hence, Canadians who are [not qualified to collect EI](#) can turn to the new \$13,000 CERB replacement.

New CERB replacement

The Canada Revenue Agency (CRA) will again be the lead agency that will process and release the Canada Recovery Benefit (CRB). CRB replaces CERB in so far as the jobless Canadians who still need financial support are concerned. The new CERB is for employed or self-employed individuals whose income was reduced by at least 50% due to COVID-19.

Before your first CRB application, one salient criterion is that you must have earned at least \$5,000 from employment or self-employment in the previous calendar year or 12 months prior.

The CRA will require you to repay \$0.50 for every dollar if net income, excluding CRB, is over \$38,000. The repayment is until you reach the full CRB. The amounts repaid will not form part of your taxable income. October 12, 2020, was the first day for CRB applications.

Benefit amount

The CRA will dispense the benefit every two-week period, and you can receive \$900 after taxes (\$1,000 gross of taxes). If, after two weeks, your situation is the same, you need to apply for CRB again. The full route is 13 eligibility periods or a maximum of 26 weeks. An individual can receive a total of \$13,000.

The income support is available between September 27, 2020, and September 25, 2021. Applicants have 60 days to apply after the end of the period for which they need the benefit. If you're unable to work due to COVID-19 for the two weeks between September 27 and October 10, 2020, you can apply for this two-week period until December 9, 2020.

Match the benefit

With or without the pandemic, Canadians can create personal income support by owning a portfolio of dividend stocks. A Dividend Aristocrat like **National Bank of Canada** ([TSX:NA](#)) can be your initial holding. The sixth-largest bank in Canada has a dividend growth streak of 10 years.

The bank stock is proving its resiliency in the 2020 crisis. From a COVID-low of \$37.38, National Bank shares are trading at \$66.40 today or a +77.6% rally. Its year-to-date loss is down to -4.71%, so you could still buy it at a discount. Currently, the dividend yield is 4.28%.

Assuming you can spare \$100,000, the passive income is \$4,280. Income investors holding \$561,000 shares are earning the \$2,000 monthly CRB equivalent. CRB is only until September 25, 2021, while the dividend earnings from National Bank could be everlasting. This stock in the financial services sector can be your captain in a portfolio of Dividend Aristocrats.

It's CRB now

CRB is for Canadians actively seeking but can't find any work due to COVID-19. The tax agency recently said you could apply for CRB if you lost your job before the COVID-19 outbreak.

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Date

2025/07/08

Date Created

2020/10/22

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