



## CRA Warning: 3 Lesser-Known Facts About the CERB Replacements

### Description

Since the coronavirus pandemic spread across the world earlier this year, it was immediately clear how devastating the virus would be. In addition to being highly infectious and quite deadly, the virus has also been catastrophic for economies. Luckily for Canadians, from the beginning, we've had the support of the government and CRA with programs like the Canada Emergency Response Benefit (CERB).

When CERB was initially announced, it was well received. A wide-ranging stimulus package was exactly what the economy needed to stay on its feet while we dealt with all the shutdowns.

However, because the government understandably had to rush to get money in the hands of Canadians, the CERB had a lot of shortcomings. So, this time around, as the government replaces CERB, [several of these issues](#) are meant to be addressed.

Because there are changes, Canadians should be up to date with them. It may now make you eligible when you weren't before. In addition, some of the rule changes could result in you being penalized if you're unaware of all the conditions.

Here are three main things you need to know.

### The CRA expects you to continue looking for a job

The Canada Recovery Benefit (CRB), one of the main replacements of the CERB, is for those earning 50% or less of their pre-pandemic income. Furthermore, the impact on income has to be as a result of the coronavirus pandemic. If you're completely unemployed, you cannot have left your job voluntarily either.

The CRA also expects you to continue to look for a job and may ask for proof. Furthermore, if you are offered a reasonable job, you're expected to take it. Failing to do so could result in being ineligible.

## CRA cash benefits are taxable

You'll actually only receive \$900, because the CRA automatically withholds 10%. Also, this money is going to be taxable. So, while you can still work while you receive CRB (if you're eligible), that money gets added to your income.

Also, it's important to note that if you make more than \$38,000, the CRA is coming for more. You will have to pay back \$0.50 of the CRB for every dollar of net income you earned above \$38,000 on your tax return. This will be due at the time of your taxes, and you will be charged interest if the payment is late.

## You may be eligible for more than one program

You can be eligible for and apply to more than one of these CERB replacement programs. However, you can't apply to more than one in the same time period.

It's also worth noting that when it comes to the Canada Recovery Sickness Benefit (CRSB), you will only be eligible for up to two weeks. It's also important to note that only one person in your house can claim the Canada Recovery Caregiving Benefit (CRCB) or CRSB at once.

So, make sure if you do qualify for multiple programs, you only apply to one for each period. Otherwise, you could face a penalty from the CRA or, at the very least, cause a delay in receiving your benefits.

## Why it's important to know all the facts

You don't want to be penalized by the CRA or have your application take weeks to process because you entered information wrong, applied to a benefit you're not eligible for, or even tried to claim more than one benefit in the same week.

You also need to know what's available, so you can make an adequate financial plan. Knowing you have support should something unfortunate happen will allow Canadians to leave less cash on the sidelines, because they know the government has support programs for them.

This way, Canadians can stay on track with their retirement and continue to hold attractive [dividend stocks](#) like **Emera**. Utility stocks like Emera are especially attractive, because they will preserve your capital in these uncertain times in addition to paying out a dividend. In Emera's case, that dividend is roughly 4.6% at the moment — a very attractive return.

As Canadians, we have been lucky enough to have support from our government and the CRA. So, it's crucial you're aware of all these benefits to maximize the stability of your personal finances.

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## **Author**

danieldacosta

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