



Hooray! Canada Revenue Agency Has a New \$2,000/Month CRB for You

Description

How important was it for the federal government to add [a second alternative](#) to replace the Canada Emergency Response Benefit (CERB)? It's imperative, indeed. After relaxing the rules to claim Employment Insurance (EI) benefits, the plan was to transition as many as possible to the enhanced EI system after CERB.

However, of the estimated four million that still need financial assistance after September 27, 2020, only 2.8 million workers would qualify for EI. The rest would be in limbo. Fortunately, the Canada Recovery Agency (CRA) resumed processing applications for the \$2,000 monthly benefits on October 12, 2020.

Those who will not be eligible for EI can apply for the Canada Recovery Benefit (CRB). Canadians should be glad that [CERB is not dead](#) but resurrected through the CRB.

\$22 billion CRB

CRB is the program to help employed and self-employed individuals, including gig workers, who are unable to claim EI benefits. The total estimated cost is about \$22 billion, and the CRA will administer the one-year program (September 27, 2020, to September 25, 2021).

The eligibility requirements are straightforward. An applicant has either discontinued working due to COVID-19 or has seen an income reduction by at least 50%. Your income in 2019 and 2020 is not less than \$5,000. Don't apply for CRB if you quit your job voluntarily after September 27, 2020. You must have a valid reason if you want reconsideration.

Total benefit amount

The new benefit will provide \$500 weekly for up to 26 weeks. This time, the payments are in two-week batches. Also, the CRB is subject to a 10% tax. You will receive a \$900 net amount, not \$1,000 gross, when the CRA releases the pandemic lifeline.

If you're still out of work after the two-week period, you need to apply for CRB again. There are 13 eligibility periods within 26 weeks. You could receive a total of \$13,000 for the program's duration.

Support yourself

Some Canadians are coping better in the crisis because they have investment income. You, too, can create income support by yourself through dividend stocks. Consider investing your idle cash in a leading Canadian wholesale power generator.

Capital Power ([TSX:CPX](#)) pays a lucrative 6.77% dividend. The utility stock is also among the defensive assets you can find. This \$3.19 billion independent power producer serves governments, commercial, industrial, and institutional customers in America and the home country.

For \$30.29 per share, \$25,000 worth of CPX will produce nearly \$1,700 in extra income. Your capital compounds as you keep reinvesting the dividends. In ten years, the investment should be worth \$48,131.84.

The best thing about Capital Power is that its current generation portfolio or assets are relatively young and not retiring anytime soon. Since the average economic life is 14 years, cash flows should be stable over the next decade. The company has earned a reputation for being a reliable energy services provider and electricity supplier.

The underlying condition when applying for CRB

Every time you apply for CRB, the CRA will require you to attest that you continue to meet the eligibility requirements. In essence, you must make the tax agency aware that you're actively seeking employment.

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Date

2025/08/21

Date Created

2020/10/29

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