



## Canada Revenue Agency: 2 Ways the \$500/Week CRB Is Better Than the CERB

### Description

Canadians had [separation anxiety](#) when the Canada Emergency Response Benefit (CERB) officially ended on September 27, 2020. The original pandemic lifeline was highly successful in relieving displaced workers of economic despair for months.

Since October 12, 2020, the Canada Revenue Agency (CRA) has been processing applications for the Canadian Recovery Benefit (CRB). The newest benefit is for CERB recipients who won't qualify for Employment Insurance (EI). While the income support is also \$500 per week, there are two ways it's better than CERB.

### 1. Earn income while receiving CRB

The CRB is available from September 27, 2020, to September 25, 2021, although the maximum period is 26 weeks, or two weeks shorter than CERB. However, you can still earn employment or self-employment while receiving CRB, as long as you meet the income-reduction requirement.

The CRA will approve your CRB claim while you're still working, provided you experience a reduction in average weekly income of at least 50% relative to pre-coronavirus levels. If your income in 2019 was \$39,000, divide it by 26, and you'll get \$1,500 or your average earnings for a two-week period. Assuming your income dropped to \$750, or 50% less, you would qualify for CERB.

### 2. CRB will not discriminate

The CRB isn't only for Canadian citizens or permanent residents. You can apply for and receive the taxable benefit provided you're residing or present in Canada during the period you're claiming the benefits. It assumes too that you meet the other eligibility criteria. You could also receive the maximum \$13,000 CRA CERB.

Note that Canadian citizens living abroad temporarily can't collect CRB. You don't qualify even if you remain abroad, because you couldn't return home once the pandemic started.

The attestation process applies to everyone, which means an applicant can't turn down reasonable work during the two-week period for which they're applying for CRB. You'll automatically lose five periods, or 10 weeks, of future CRB eligibility periods. If you wish to re-apply, you must also wait for five periods.

## Turn idle money into massive savings

These days, people are better off not leaving their money idle. If you have \$13,000 idle cash, for example, you can [be a passive investor and earn extra](#) on the side. **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) is an excellent value creator, especially for long-term investors.

CIBC is a prominent income provider over the last 152 years. At present, the bank stock pays a generous 5.88% dividend. Your \$13,000 investment will produce \$764.40 in extra savings. Hold it for 20 years, and your once-stagnant cash will become \$40,758.86. Future retirees can build a substantial nest egg with CIBC as core stock holding.

The fifth-largest bank of Canada has a market capitalization of \$44.24 billion. Its expansion in the U.S. and modernization of banking centres are ongoing. Likewise, CIBC continues to focus on the innovation economy. It provides financial or growth capital to entrepreneurs and enterprises and enables them to achieve maximum business potentials.

## Filling the income gap

The focus should be more on CRB's intended purpose and not the comparison with CERB. Canadian workers will acknowledge CRB as the provider of stability and certainty in the recovery phase in due time.

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