



CRA Comparison: CRB vs. CERB vs. EI: Which Is Better?

Description

Canadians have benefitted from a number of different benefit payments during the pandemic. The now-discontinued CERB and the CRB were introduced specifically for the pandemic relief, while the EI has been there for several decades. But from a recipient's point of view, what's the difference between the three payments?

EI

EI has been here for ages. While it's a crucial support payment for Canadians who've lost their jobs and income sources (through no fault of their own), the requirements are a bit stringent. This is not an issue when the economy is strong and jobs are easily available. Still, in a crisis like the one we are going through right now, the EI eligibility requirements can be a serious hurdle.

One of the first requirements was 420 insured hours in the past 52 weeks. But since it would have slashed the number of people who could qualify for the EI to a mere fraction, the requirement now is 120 hours (the government is giving a 300-hour credit to all applicants). This is expected to force people to look actively for employment.

The payment you receive *can* reach \$573 per week, but for that amount, all three variables (insured hours, the unemployment rate in the region, and your average weekly salary) have to line up in your favor.

CRB

It isn't easy to quantify and prove hours you've worked as a freelancer or gig worker. You'd have to pull records from multiple employers and platforms. This is why people who mainly work gigs don't usually qualify for the EI, even in its current form. This is why the CRB was introduced. It's expected to cater to the people that don't fit into the EI's definition. You get a flat \$500 a week (minus \$50, taxed at source) if you qualify.

CERB

The CERB is easily one of the most comprehensive and lenient income benefits that the CRA has ever come up with. It was introduced for everyone (i.e., every earner that lost their income source partially or fully). It doesn't matter whether you had a regular job or were self-employed; you could apply for and get the CERB. Every recipient got the full \$500 a week payment.

The winner

If we consider the payment ease, eligibility criteria, and the amount you receive right away, the CERB is the best payment from a recipient's perspective.

However, if you'd taken the right measures at the right time, that is, invested in [good stocks](#), you'd have the true winner: your own nest egg to rely upon instead of government benefits. If you had invested just \$2,000 in **Descartes Systems Group** ([TSX:DSG](#))([NASDAQ:DSGX](#)) 10 years ago and placed it in your Tax-Free Savings Account (TFSA), you'd now be sitting at over \$22,000 in the company's shares. That's worth about 11 months of benefit payments (\$2,000 a month).

And the best part is that unlike other benefits you have to pay taxes for, this would have been tax-free. Right now, the company is quite overpriced, but there are plenty of other stocks you can look into that have great growth potential if you are willing to keep them over a decade. Even Descartes can be a great buy once the market crashes again.

Foolish takeaway

Most Canadians don't get to choose [which benefit](#) they can get. But if you are eligible for more than one benefit payments, you have to choose the one that suits you best (since you can't get two at once). For example, if you are somehow eligible for both the EI and the CRB (a rare eventuality), you may opt for the CRB if your EI payout is below the \$500 a week mark.

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