



How to Stop the CRA From Taking Back Your CRB and CERB

Description

This year, the Justin Trudeau government released trillions of dollars in the stimulus package that helped Canadians get by the COVID-19 pandemic. The pandemic is still happening, but the world is learning to live with it. Hence, the Canada Revenue Agency (CRA) has replaced the Canada Emergency Response Benefit (CERB) with the Canada Recovery Benefit (CRB). While you avail of these benefits this year, the CRA can take them back next year.

The Canada Revenue Agency can take back your CERB

The only reason why the CRA would [take back your CERB](#) is if you wrongly received the benefit even though you were not eligible, or you accidentally received the benefit payment twice. It could also be because you thought you were eligible, but you were not. This is possible because the CRA paid CERB in advance.

So far, Canadians have voluntarily repaid 830,000 CERB and Canada Emergency Student Benefit (CESB) payments. The CRA is looking into faulty benefits payments and might take them back gradually.

Here are some situations under which the CRA can take away your CERB:

- You quit your job voluntarily.
- You received double CERB payments from both Service Canada and the CRA.
- For a given period, you thought you would earn less than \$1,000, but you earned more. It could also be because you returned to work, or your employer paid you retroactively.

The CRA can take back your CRB

With CRB, the CRA addressed most of the problems they faced with the CERB. The CERB disincentivized Canadians from returning to work, and with no penalty, there wasn't a motivation to find a new job. The CRB intends to put people back to work. Hence, the CRA has [tightened the rules](#) on

ways it can take back the CRB:

- You are actively searching for a new job but refuse reasonable work that comes your way. In such a scenario, the CRA can cut your 26-week CRB period to 16 weeks and suspend your benefits application by 10 weeks.
- You earned more than \$37,000 in 2020 after excluding the CRB but including CERB payments. In such a scenario, the CRA will claw back 50% of the income you earned over \$37,000 up to the total CRB payments you received.

How to stop the CRA from taking back CERB and CRB

The CRA will claw back some portion of CERB and CRB through income tax. These benefits will be added to your 2020 taxable income. You don't want the CRA to take a bigger share on these benefits payments.

You can stop CRA from taking back your CERB. Take time to assess your eligibility for the CERB. If it comes to your knowledge that you wrongly received the benefit, repay it to the CRA voluntarily. The agency will exclude the amount repaid from your 2020 taxable income.

You can stop the CRA from taking back your CRB by taking up reasonable work. To encourage you, the CRA will give you \$1,800 in CRB every month, if you are earning less than or 50% of your average weekly income.

Calculate your 2020 taxable income and do include the \$14,000 (\$2,000*seven periods) in CERB payments. If your total income comes to \$37,000, don't apply for CRB. Save this benefit for next year. The CRB is in place till September 25, 2021. You have ample time to max out the 26-week limit on the CRB.

A benefit the CRA can't put its claws on

One benefit the CRA can't lay its claws on is the personal benefits pool in your Tax-Free Savings Account (TFSA). The investment income you earn from TFSA is exempt from taxes.

A good stock for your benefits pool is the **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)). This omnichannel point-of-sale platform has gone beyond contactless payments to help retailers, restaurant, and golf clubs to operate in the COVID-19 economy. This economy needs a seamless integration of digital and physical stores where you shop online but collect goods at the store or order online and eat at the restaurant.

Lightspeed stock has surged 300% from its March low and 17% year to date. With a 50% revenue-growth rate, the stock can grow by strong double digits for the next two years.

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