



## 3 Things to Know About That \$27,000 CRB Payment Before You Apply

### Description

The Canada Revenue Agency (CRA) recently changed up the way Canadians receive pandemic payments. Before, Canadians pretty much applied in bulk to the Canada Emergency Response Benefit (CERB). The benefit cost almost \$50 billion after all was said and done. So the government realized it needed to make some changes. Those changes weren't just to make sure people were using benefits properly, but also to get people back to work.

Enter the new slew of benefits. All together, if you used every pandemic benefit, you could bring in \$27,000 for the year. But before you go rushing off to apply, there are a number of [barriers](#) that you need to cross. And some things to consider before taking on these new benefits.

### Each benefit is temporary

Not only is each benefit temporary, but you have to apply again and again. Whereas before, you could apply to CERB once and have payments come in for a month, two months, or even three in some cases. Today, you have to reapply every eligibility period, which is every *two weeks*. So you have to prove again and again that you absolutely need this benefit.

There are three new benefits if you don't have Employment Insurance (EI) that you can apply for. There is the Canada Recovery Benefit (CRB), the Canada Recovery Sickness Benefit (CRSB), and the Canada Recovery Caregiving Benefit (CRCB). CRB allows individuals to apply for 13 eligibility periods for a maximum of 26 weeks in total, receiving \$500 each week before taxes. CRSB provides the same \$500, but you apply weekly for a maximum of two weeks. And the CRCB provides the same 13 periods and 26 weeks with \$500, and again reapplying every two weeks.

### It's all taxable

Don't think for a second you can't claim this on your tax forms. In fact, the CRA is clear that while you are receiving \$500 per week, it's really \$450 after taxes. All this has to be claimed on your tax returns. This money is designed to see you through a difficult period, and then allow you to get back on your

feet. If you then go on to go back to work and make a lot of money, the CRA wants to know about it so it can tax appropriately. This is definitely the furthest thing from free money.

In fact, there is an annual income limit for those applying to these benefits. If you earn more than \$1,000 per month, you don't qualify. If you make more than \$38,000 in 2020, the CRA will ask to take back \$0.50 for every additional dollar you earned past that limit.

## There are penalties

If you applied and you end up not needing the benefit, or applied knowing you didn't meet eligibility requirements, the CRA will come after you down the line. Come tax season, or even before, there are a few ways the CRA will ask for *all* of those payments back.

If the CRA finds out you had work and were making more than \$1,000 while receiving payments, it will ask for money back. Same goes for if it finds out you could have been working but weren't. For example, if your work was open but you decided not to work because of the pandemic, even if the business was following COVID-19 protocols. It can then cut your payments, or even ask for them back.

## Create your own income!

Rather than risking it all for \$27,000, create your own [stable](#) passive income. Big Six Banks are a great place to look as these companies will continue to be around for decades if not another century. A perfect choice right now is **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)).

CIBC offers the highest yield of the Big Six Banks at 5.73% as of writing. It also recently increased that yield despite the economic downturn. An investment of \$10,000 could bring in \$572 per year in passive income! What's even better is that these payments are forever, with no limits attached — much better than CRB payments.

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