Canada Revenue Agency: Don’t Make These 3 CRB Errors When Applying!

Description

The Canada Revenue Agency (CRA) is doing untiring work again after the ending of the Canada Emergency Response Benefit (CERB). Many CERB recipients are transitioning to Employment Insurance (EI), and the CRA is distributing the Canada Recovery Benefit (CRB) to Canadians who are not eligible to claim EI benefits.

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CRB, the direct replacement of CERB, pays the same amount ($500 per week) as the original COVID-19 pandemic relief. You can receive up to $13,000 in 26 weeks. However, non-eligibility to EI isn’t the only requirement. The CRA can still reject applications due to CRB errors by applicants.

1. No reduction in normal income by at least 50%

The general rule is that you must have stopped working due to COVID-19. However, you can still receive the CRB while working, provided you’re be losing at least 50% of your average normal weekly income during the two-weeks that you apply for the CRB.

Normal income refers to your average weekly income during 2019 or in the 12 months before you apply for the CRB. Similarly, your income in 2019 or 2020 is $5,000 or less before deductions.

2. Receiving other benefits

The CRA will reject your application if you applied for or received any of the following:

- Canada Recovery Sickness Benefit (CRSB)
- Canada Recovery Caregiving Benefit (CRCB)
- EI benefits
- Short-term disability benefits
- Workers’ compensation benefits
- Quebec Parental Insurance Plan (QPIP) benefits

If you're worried about the CERB replacement affecting other benefits, the CRA suggests consulting your Provincial or Territorial Social Assistance Office before applying for CRB.

3. Voluntary resignation

The CRA requires all CRB applications to attest they are available for work, actively looking for work and refuse a reasonable job offer. However, you extinguish your eligibility if you were not fired or laid-off but quit your job voluntarily after September 27, 2020. Reconsideration is possible if only if you have a justifiable reason.

Earn significant other income

A top dividend payer and illustrious financial institution is an excellent source of other income. The 188-year old **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) or Scotiabank is a generous passive income provider.

Scotiabank, with its $68.95 billion market capitalization, is the third-largest bank in Canada. Now is the perfect time to invest in this blue-chip stock because it's trading at an 18% discount. The share price is only $56.32, while the dividend yield is 6.42%. Also, the 64.06% payout ratio indicates the bank can sustain the payouts.

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Furthermore, you could rank Scotiabank among the buy-and-never-sell stocks. The dividend track record is as old as the bank itself. If you can own $125,000 worth of shares, you can generate $2,006.25 in quarterly income. In 20 years, you would have a substantial nest egg of $433,855.47.

Global Finance magazine recently recognized Scotiabank for Outstanding Crisis Leadership in 2020. Aside from providing support to clients across its footprint, Scotiabank allowed deferrals on loan payments, including mortgages, auto loans, and credit cards.

Simple steps to get CRB

CRB is the new pandemic lifeline of Canadians who can't transition to EI. Applying is a simple two-step process. Confirm if you're currently registered with the CRA and set up a direct deposit payment option. The processing of your application should be flawless if you don't commit the errors mentioned above.

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