



## CRA: Confused About the CERB to CRB Transition? Here Are 3 Things You Should Know

### Description

The Canada Recovery Benefit (CRB) is one of the new measures that replaced the Canada Emergency Response Benefit (CERB). This time, the recovery benefits cover three broad circumstances.

The CRB is, more or less, the [direct replacement for CERB](#), since the temporary benefit focuses on unemployed Canadians in October or individuals still looking for work. Applications for CRB opened on October 12, 2020, with the Canada Revenue Agency (CRA) administering the program once more.

Some CERB recipients are encountering confusion regarding the shift to CRB, which is understandable. The following are three things you should know for a [problem-free transition](#).

### 1. For non-EI eligible people

The estimate from the Canada Centre for Policy Alternatives (CCPA) is that the government needs to wean four million people from CERB. The majority will move to the enhanced Employment Insurance (EI) system, although roughly 25% will not qualify for EI.

Hence, the CRB is for employed or self-employed individuals, including independent contractors or gig workers. You won't be at a disadvantage if you don't qualify for the new EI plan, because the CRB also provides \$500 weekly for 26 weeks.

### 2. No work or reduced income

You can qualify for CRB in two ways. First, you stopped working due to COVID-19 but are available for work, actively looking for work, or did not decline reasonable work opportunities. Also, you did not quit your job voluntarily after September 27, 2020. Your gross income in 2019 or 2020 must be \$5,000 or less before applying for CRB.

Second, you can apply and still receive CRB while working. The condition is that you must have seen your income drop by at least 50% due to COVID-19. If you don't meet the minimum income requirement, provide supporting documents to the CRA.

### 3. A 10% tax deduction

The eligibility period and payment scheme of CRB are not like CERB. You must apply every two weeks if you still meet the eligibility requirements. The CRA pays \$1,000 each payment but will deduct a 10% tax upfront. Thus, the net amount you will receive per two-week period is \$900 only.

### Earn CRB-like income

Earning extra income or creating passive income is essential these days. Canada is in a deep recession, and an economic recovery might be slower than expected. If your finances allow, consider investing in a dividend all-star.

**National Bank of Canada** ([TSX:NA](#)) has a dividend-growth streak of 10 years. During the same period, the total return is a respectable 207.86%. As of November 9, 2020, the bank stock is down by only 2.83% year to date. The dividend offered is 4.24%, which should be safe owing to the low 46.76% payout ratio.

One thing going for investors in Canada's sixth-largest bank is its foothold in Quebec. The province accounts for 55% of National Bank's total revenues. Its international footprint, mostly ABA Bank in Cambodia, contributes 19%. In the meantime, the bank will pause expansion in emerging markets.

The strong monetary policy that support's Quebec's economy, the perennially low unemployment numbers, and relatively affordable home prices are the tailwinds. National Bank can provide you with recurring, CRB-like income for years.

### New pandemic money

The CRB will cost the federal government another \$22 billion in temporary but necessary benefits. Apply now to receive a new stream of pandemic money, similar to CERB, for one year.

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