



## CRA Benefits: How to Get \$1,800 a Month During the Pandemic's 2nd Wave

### Description

A second wave of COVID-19 is taking shape. And with that comes the potential for lockdowns, business closures and unemployment. In the past month, daily COVID cases in Canada have surged from 4,000 a day to just over 6,000 a day. With the rise in cases, the pressure is mounting on premiers to lock down.

In situations like this, you have to be prepared. And no, that doesn't mean rushing to the grocery store to stockpile toilet paper. What it means is having an income stream in place to get you through a possible period of unemployment. In this article I'll be exploring two such income streams that could pay you \$1,800 a month or more.

### First option: EI

EI is the standard security net for out of work Canadians. It pays a set amount based on your insurable earnings. In 2020, you're given an "hours credit" that gets you to a minimum of \$500 a week. The maximum is \$573 a week. So in 2020, EI could easily pay more than the CERB paid.

To get EI, you need to have been laid off from a job and have paid into the EI system. If that latter condition isn't true of you, then read on—up next are some benefits that don't require you be EI eligible.

### Second option: Recovery benefits

"Recovery benefits" is a catch-all term for a suite of post-CERB benefits that pay \$500 a week. These benefits include:

- **The Canada Recovery Benefit (CRB).** For out of work Canadians who aren't eligible for EI—specifically the self employed.
- **The Canada Recovery Caregiving Benefit (CRCB).** For people out of work to care for COVID-impacted dependents or relatives.
- **The Canada Recovery Sickness Benefit (CRSB).** For people directly impacted by the

pandemic.

These benefits all pay \$1,000 bi-weekly. [\\$100 per cheque](#) is withheld in taxes immediately. So the amount you actually receive is \$1,800 a month.

## Economic impacts

If you're out of work due to COVID-19, then government assistance is obviously good news for you. It may be good news for the broader economy as well. Government benefits keep consumer spending afloat in times of mass unemployment. That's not only good for unemployed people, but also for businesses.

Consider a company like **Canadian Tire Corp** ([TSX:CTC.A](#)). Earlier in the year, it got absolutely rocked by the pandemic. Hit by tanking oil prices and retail closures, it ran massive losses. For a while, it looked like the company was in serious trouble. Later, however, Canadian Tire managed to turn it around, with a [400% increase in e-commerce sales](#). It also posted positive earnings in the third quarter.

Benefits like the CERB, EI and the CRB may have played a role in the company's turnaround. When people lose work, they often restrict their spending to staples like groceries. Canadian Tire sells a lot of discretionary items like clothing, which people spend less money on during recessions.

It's quite possible that the federal government's COVID-19 benefits helped keep Canadian Tire's sales afloat at a time when consumers would normally cut back. If that's the case, then these benefits have been a boost for the economy at a desperate time.

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