



## CRA: 3 COVID-19 Support Payments You Can Claim

### Description

The pandemic has been difficult for the economy and personal finances of millions of people in the country. Layoffs, furloughs, pay cuts, negligible business activity, and several other factors affected the financial lives of many. Since the economy is still recovering, many of these people might continue to suffer for a while yet.

To offer financial relief to the people, the CRA introduced several COVID related payments and modified an old one to suit the circumstances. Based on your situation, you might be able to avail one of these relief payments. Three that might interest investors are the CERS, EI, and the CRB.

### The rent subsidy

If you run a business and are having trouble covering the rent of your place of business, you might qualify for the Canada Emergency Rent Subsidy (CERS). The rules to qualify for this benefit are almost the same as the wage subsidy payment (CEWS). You'd have to have a CRA number (originated on or before September 27, 2020) or a payroll account on March 15, 2020.

Only your business locations qualify for this subsidy, and if you are eligible, you can claim up to \$75,000 per qualifying period for each business location for a maximum of \$300,000. That's a substantial amount and can prevent you from closing the shop because of property-related expenses.

### The EI

The EI is not a new payment that was introduced specifically for COVID relief. It goes back decades, but it has recently been pushed to its limits because of COVID related layoffs. But since 2020 has been a disaster for businesses and jobs, the EI has been modified to cater to a larger applicant pool. People who might not have qualified due to insufficient insurable work hours are given a one-time credit of 300 insurable hours for regular benefits.

So the new, lenient version of the EI can be considered a COVID-19 support payment.

## The CRB

The Canada Recovery Benefit (CRB) has been [created specifically](#) for the pandemic. Even though the EI is expected to pick up the bulk of the applicant load left by the CERB, it's not designed for applicants that don't fit in the conventional "job" category. So for all these people, freelancers, and gig workers, the CRB was introduced. It's given for a two-week period, and you can only get it for a total of 13 periods.

## The safety net

A safety net can prevent you from relying on one of these benefits. If [you had invested](#) \$5,000 in **Canadian Apartment Properties REIT (TSX:CAR.UN)** in Jan 2010 and chose to reinvest your dividends, you'd now have about \$28,000 in the company and over 550 shares. That would get you about \$60 a month in dividend income.

But if you liquidate your shares in your Tax-Free Savings Account (TFSA), the \$28,000 is equivalent to receiving 14 months of CRB. That's more than twice what you might be able to get from the CRB. And if it's coming out of your TFSA, it's also tax-free, unlike the CRB.

## Foolish takeaway

Many support payments can be enough to sustain you, but understand that they are not unlimited. In fact, they are fairly restricted by design. They are created to give you enough breathing room so you can work hard on replacing your lost income without worrying about being evicted or putting food on the table, but they aren't lasting alternatives to a proper income source.

### CATEGORY

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