



Get Your Last \$1,000 CRB Payment of 2020: See if You Qualify

Description

This year, the Canada Revenue Agency (CRA) gave out generous cash benefits to Canadians who lost their jobs because of the pandemic. The CRA is currently running the Canada Recovery Benefit (CRB), an unemployment benefit for those who don't have Employment Insurance (EI). The CRB gives you \$1,000 before tax for two weeks. The application window for the last CRB payment of the year opens on Monday. See if you qualify.

Do you qualify for \$1,000 CRB?

The CRA launched the CRB for anyone who is living and working in Canada and is out of work because of the pandemic. This means that even immigrants, students working part-time, and seniors working past 65 years of age qualify. What you have to look for is your 2019 income. That should be at least \$5,000.

Some basic requirements to receive the direct CRA benefit are that you should be above 15 years of age and have a valid Social Insurance Number. Other than that, the CRA has listed some requirements specifically for CRB:

- You must be unemployed or are not getting work for COVID-19-related reasons. Now, it could be that your industry has a high unemployment rate or you can't work, as you are at high risk if you get the virus. In either case, you must be actively searching for work, even if it's work from home.
- While you need to keep searching or work, you should also agree to take up any reasonable work opportunity that comes your way.
- Like EI, you won't get CRB if you voluntarily quit your job. These benefits are to help those who lost their jobs for things beyond their control, such as the employer's bankruptcy.
- You can get CRB even if you are working but got a 50% pay cut for COVID-19-related reasons.
- You can get CRB if you are not receiving other COVID-19 benefits, worker's compensation, short-term disability benefits, or Québec Parental Insurance Plan (QPIP) benefits.

Beware: The CRA can take back the benefit, even if you qualify

If you tick all the above boxes, you qualify to get the CRB. This year you can get a maximum of \$5,400 in CRB. But before you apply for the benefit on Monday, calculate your 2020 net income. Don't forget to include the Canada Emergency Response Benefit (CERB) and any other taxable benefits you collected this year in your net income, excluding CRB. If your income is above \$38,000, the CRA will claw back your CRB payments when you file your 2020 tax returns.

For every dollar you earn above \$38,000, the CRA will claw back \$0.5 from your CRB payments. If you [earned \\$48,800 net income](#), the CRA will claw back your entire CRB amount of \$5,400. You can delay your December CRB payment to January and save your benefits money from clawback.

Create a personal CRB that the CRA can't touch

Every crisis teaches the value of savings. In the 2009 financial crisis, the CRA launched the Tax-Free Savings Account (TFSA) to encourage Canadians to save. The CRA doesn't touch the investment income you earn in TFSA and makes your withdrawals tax-free. You can use this benefit of TFSA to add high-growth stocks and make a personal tax-free CRB.

One good stock for a personal CRB fund is **Enghouse Systems** ([TSX:ENGH](#)), which grows through acquisition and organically. It acquires software companies that serve four verticals, contact centres, telecom, transportation, and geographic information systems. Then the company leverages its global sales and marketing teams to cross-sell products to its existing and newly added customers.

The new acquisitions grow Enghouse's recurring revenue from maintenance contracts and subscriptions. It reinvests its cash flows to acquire new companies, and the cycle repeats. Fiscal 2020 was a strong year for Enghouse, as its 2019 acquisitions related to visual communications — Vidyo and Dialogic — and video services — Espial — paid off in the pandemic.

Enghouse's [fiscal 2020](#) revenue and adjusted EBITDA surged 31% and 53%, respectively, its highest growth since 2011. Its stock surged 33.5% year to date. The stock has strong growth potential in the coming years, as all four verticals are set to grow significantly in the coming decade.

CATEGORY

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