



## CRA 2021 Changes: Did You Travel Abroad? No CRB, CRSB, or CRCB for You

### Description

The Canada Revenue Agency (CRA) introduced three recovery benefits in October 2020 to help Canadians return to work in the pandemic economy. All three benefits pay \$500/week to qualified Canadians. In the wake of the second wave of the pandemic, the CRA has made some [changes](#) to the benefits qualifications. Individuals who traveled internationally and are in the mandatory 14-day quarantine will not get recovery benefits. These changes are effective retroactively from January 3.

### Why is the CRA making changes in benefits requirements?

Let's understand this whole situation. The COVID-19 virus started mutating in the United Kingdom and some other countries. In response to this second wave of the pandemic, the Justin Trudeau government tightened the [already tight travel restrictions](#).

Starting January 7, anyone traveling to Canada from abroad has to take the COVID-19 test 72 hours before the scheduled departure. They will only be allowed entry into Canada if their test result is negative. Even if they are tested negative, they will have to complete the mandatory 14-day quarantine. Anyone who violates this rule could face a hefty fine and even jail time. However, the government exempts people like healthcare workers who have to cross borders for work from quarantine.

To discourage foreign travel and control the virus spread, the government introduced a change in the recovery benefits as well.

### Changes in the CRA recovery benefits

The CRA introduced three recovery benefits in October 2020 to handle different situations people might face during the pandemic.

- The Canada Recovery Sickness Benefit (CRSB) is for people who fall sick or are tested positive and under quarantine. You can get \$1,000 for two weeks, provided you don't get paid sick leaves.

- The Canada Recovery Benefit (CRB) is for people who are not employed or took a 50% pay cut for COVID-19-related reasons. You can get \$1,000 every two weeks for 26 weeks.
- The Canada Recovery Caregiver Benefit (CRCB) is for people who cannot work, as they have to stay home and care for dependents. An entire family staying together can get \$1,000 every two weeks for 26 weeks.

The CRA is adding a new requirement to the above benefits, effective January 3. The news release reads, “applicants will need to indicate whether they were self-isolating or in quarantine due to international travel.” If they traveled abroad, the CRA will deny their benefits claim.

This sent airline stocks down, as the update saw a steep decline in their close-in bookings. The restriction had such a deep impact that **Air Canada** and WestJet cut thousands of jobs and suspended several domestic routes for an indefinite period.

## Times are tough: Don't depend on recovery benefits

International travel is an addition to the many reasons the CRA can deny recovery benefits. Many Canadians have already fallen through the cracks and have not received any CRA benefits. Don't depend on these benefits, as they are temporary. Build your source of passive income. The pandemic has created a great opportunity to lock in a 7.5% dividend yield for a lifetime.

You can put in some of your Tax-Free Savings Account (TFSA) money in Dividend Aristocrats like **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) and **SmartCentres REIT**. They both have an inflated dividend yield of over 7%, as the pandemic hurt their stock prices.

Among the two, I will give preference to pipeline operator Enbridge. It is among the few stocks that increased its dividends while others reduced it. At a time when **Suncor Energy** slashed its dividend per share by 55% due to low oil prices, Enbridge increased its dividend per share by 3%.

Enbridge has a robust business model with over 40 sources of revenue, ranging from oil and natural gas pipeline, natural gas storage, and renewable energy generation. It will continue to increase dividends for the coming decade as oil demand surges.

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## **Date**

2025/07/08

## **Date Created**

2021/01/19

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