



Have You Exhausted Your EI? You Can Get the \$500/Week CRA CRB

Description

Just when you thought you left COVID-19 behind, the second wave of the pandemic struck and reinstated lockdown in some states. The pandemic affected different businesses in different ways. **Air Canada**, which was worst hit by the pandemic, cut another 1,700 jobs. Canada's [unemployment rate](#) surged to 9.4% in January after falling to 8.6% in December 2020. Have you been unemployed for a long time? Are you close to exhausting your Employment Insurance (EI)? Don't worry. The Canada Revenue Agency (CRA) is offering you the Canada Recovery Benefit (CRB) till September 25.

Have you exhausted your Employment Insurance?

In September, the government launched a new COVID-19 EI. The minimum that you can get in this EI is \$13,000 over 26 weeks if you have worked 120 insured hours in the last 12 months since March 15, 2020. If you are receiving the EI payout regularly, you will exhaust your benefit by the first week of April. If the second wave of the pandemic continues, you may face a cash crunch in April.

Don't worry. The CRA allows you to claim the \$500/week CRB for another 26 weeks for those who exhausted their EI. However, there are some pre-requisites.

Do you qualify for the CRA CRB?

Just like EI, you have to apply for the CRB after every two weeks. To qualify for the CRB, the following should describe your scenario for the two weeks you are claiming the benefit.

- You are no longer eligible for EI and are not receiving any other COVID-19 benefits, worker's compensation, short-term disability benefits, or Québec Parental Insurance Plan (QPIP) benefits.
- You are out of work because of the pandemic and not because you quit voluntarily. Moreover, you are actively looking for a job and have not rejected any decent job offer that comes your way.
- Even if you are working, you can get the CRB if your average weekly income is 50% of your 2019 income. Now, if your annual net income reaches \$38,000 (\$3,166 a month), the CRA will take away some of your CRB payment when you file your income tax returns.

The CRA will take away the CRB at the rate of 50% of your surplus income. For instance, Jack claims \$13,000 in CRB payments. He earned \$42,000 in 2021 net income. The CRA will claw back \$2,000 (50% of the \$4,000 surplus income) in CRB payments in April 2022 when he files his 2021 tax returns.

Should you claim the CRB if your annual income is above \$38,000?

Even if your annual income is over \$38,000 and you qualify for the CRB, I will suggest you claim the CRB. Take the benefits money and invest it in some high-growth stocks through your Tax-Free Savings Account (TFSA). The money you invest in TFSA will be taxable, but the money you earn from the investment will be yours that the CRA won't clawback.

The 2021 investment trend is clean energy and electric vehicles (EV) making **Magna International** ([TSX:MG](#))([NYSE:MGA](#)) a lucrative investment. This EV theme comes on the back of the U.S. President Joe Biden's US\$2 trillion climate plan.

During the Donald Trump presidency, climate change took a back seat in America, the world's second-largest automotive market. But EV adoption has been growing at a rapid pace in China and Europe, the world's first and third largest automotive markets. The re-entry of America in the EV space and the government incentives will drive EV adoption in the coming years.

Magna is well-positioned to tap this growth with its auto manufacturing services. The company has [several EV joint ventures](#). It is helping many tech and auto companies in building their EV projects. Magna will be the biggest beneficiary if the **Apple** Car and **Alphabet's** Waymo hit the roads.

Magna stock has surged 44% since November 2020 after Biden won the presidency. The stock can surge by the double digits and even outperform the market in 2021.

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