



## Attention! The CRA Is Extending the \$2,000/Month CRB to 38 Weeks

### Description

If you have been claiming the Canada Revenue Agency's (CRA) Canada Recovery Benefit (CRB) regularly since September 27, 2020, this week would have been the last week of your benefit. This is because every Canadian could get the CRB for a maximum of 26 weeks. But the second wave of the COVID-19 pandemic has changed everything. The unemployment rate spiked from 8.6% in December to 9.4% in January. **Air Canada** ([TSX:AC](#)), the biggest airline employer in the country, cut 1,800 jobs as travel restrictions continue to hurt the company.

In light of the changing situation, the Justin Trudeau government has extended the CRB for another three months. Following the revisions, you can get the CRB for a maximum of 38 weeks. So if you are relying on it and claiming it regularly, you can get the benefit till June.

### See if you qualify for the extended CRB

You need to fulfill the same criteria for the extended CRB as for the original CRB. To qualify for the extended CRB, you should be at least 15 years old and not eligible for the Employment Insurance (EI) benefits. Also ensure that you meet the following conditions during the two weeks for which you are claiming the CRB:

- You lost your job or took a 50% pay cut due to the pandemic.
- You did not receive Canada Recovery Sickness Benefit (CRSB), Canada Recovery Caregiving Benefit (CRCB), short-term disability benefits, and Québec Parental Insurance Plan (QPIP) benefits.

The CRA added one more condition in January. You will not get the CRB for the 14-day period that you were in quarantine after an international flight.

### What does the benefits extension mean to you?

The extension increases the maximum amount you can get from the CRB to \$17,100 after tax from

\$11,700. So if you have avoided claiming the CRB in the past over the fear of exhausting your benefit, you can claim your CRB for mid-January and beyond before March 31. The CRA keeps the CRB application window open for 60 days after the end of the two-week period.

The benefit amount that you receive in the extended period will be included in your 2021 taxable income. Your T4A slip will [include](#) the CRB as well as any other COVID-19 emergency or recovery benefits that you received from the CRA. If you live in Quebec, you will get an RL-1 slip.

## Plan now for your April 2022 CRB tax bill

You can make a retroactive claim for the CRB and invest \$100 per week in a [dividend](#) stock, to reduce your tax bill. You can invest in pipeline operator **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) via your Tax-Free Savings Account (TFSA). In 2021, you can put up to \$6,000 in your TFSA.

The 17,100 CRB will entail a federal tax bill of \$2,565 (15% of 17,100). A \$100/week contribution for 38 weeks will accumulate \$3,800 in Enbridge and get you an average dividend yield of 7%. The \$3,800 you invest in the company will get you an annual dividend of \$275 this year. Since any income or dividend earned in the TFSA is tax-free, the \$275 dividend will reduce your federal tax bill to nearly \$2,290 (\$2,565 – \$275).

Enbridge is known as a Dividend Aristocrat and has been paying incremental dividends for over 25 years. As the company continues to increase its dividend, you can use this cash to pay your future tax bills. Further, the stock is trading at a discount of 20% from the pre-pandemic level. The stock is likely to surge as oil demand recovers, thereby increasing the value of your holding.

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