

# Federal Government Makes 4 Changes to CERB



The Canada Emergency Relief Benefit (CERB) has served as a lifeline for many employees who lost jobs as a result of COVID-19. But it has also engendered confusion and misunderstanding. Here is a rundown of the 4 key changes the government has made to fix the program since its inception.

## 1. Final 4-Week Extension

The CERB was originally limited to 16 weeks. But in July, the federal government tacked on 8 more weeks. And in August, it added 4 more weeks, taking the total eligibility to 28 weeks, ending on September 26, 2020.

## 2. Two-Week Payments

The CERB is a \$2,000 per month benefit originally payable in 4 \$500 weekly installments. But starting July 5, CERB payments were changed to every 2 weeks.

## 3. Clearer & Stricter Eligibility Criteria

One of the biggest problems with the CERB was that it generated misperceptions and gave employees an incentive to quit their jobs or turn down work. The new rules clarify that employees who decline a reasonable job offer or unreasonably fail to return to work when employers recall doesn't qualify for CERB payments. Ditto for individuals who decline to return to self-employment when it is reasonable to return.

## 4. New Penalties for False Claims

In response to widespread reports of abuse, the new rules provide for penalties of up to 3 times the CERB payment amount against employees that make false representations, fail to declare employment income or otherwise receive a CERB payment they know they're not entitled to.

## CERB Wind-Down and Transition

Along with announcing the final 4-week extension, on August 20, the federal government outlined a plan to replace the CERB with a new system of support

benefits for those who cannot work due to COVID-19. Key elements of the new system, which comes into effect on September 27, the day after the CERB officially ends:

### **Expansion of EI Benefits**

EI recipients will be eligible for a taxable benefit rate of \$400 per week, or \$240 per week for extended parental benefits. Regular benefits will be accessible for a minimum of 26 weeks. EI insurance premium rates will be frozen for 2 years.

### **Expansion of Eligibility**

Changes will also make it easier for Canadians to qualify for EI.

#### **Explanation**

Eligibility for EI benefits is based on the number of insurable hours an individual has worked during the qualifying period, i.e., the year before the application or individual's last claim. Normally, the number of insurable hours worked must be between 420 and 700. But because the pandemic has kept people from working, the government is temporarily reducing that number to 120. It's also granting claimants temporary, one-time credits in insurable hours:

- Those claiming regular and work-sharing benefits who have at least 120 hours of insurable work will get a credit of 300 insurable hours; and
- Those claiming EI special benefits, including maternity, parental, sickness, compassionate care and family caregiver benefits, will get a credit of 480 insurable hours.

## **The 3 New Benefits**

The federal government is also introducing 3 new temporary income support benefits for those who don't qualify for EI:

### **1. Canada Recovery Benefit (CRB)**

The CRB will provide \$400 per week for up to 26 weeks to those who aren't eligible for EI or self-employed. Claimants must apply after every 2-week period and attest that they still meet the requirements. CRB payments are taxable and claimants may have to repay all or some of their benefit via their income tax return if their annual net income (not counting the CRB) is over \$38,000.

### **2. Canada Recovery Sickness Benefit (CRSB)**

The CRSB will pay \$500 per week for up to 2 weeks to workers who contract or have to self-isolate due to COVID-19. To qualify, workers must miss at least 60% of their scheduled work for the week in which they're claiming the benefit. Workers don't need a medical certificate but aren't allowed to claim the benefit if they're currently receiving paid sick leave from their employer.

### **3. Canada Recovery Caregiving Benefit (CRCB)**

The CRCB provides households \$500 per week for up to 26 weeks to individuals who must care for a child under 12 years of age, a family member with a disability

or a dependent because:

- The person's school, daycare, or other care facility is closed or operates under an alternative schedule due to COVID-19;
- The person can't attend school, daycare or other care facility under the advice of a medical professional due to being at high-risk upon contraction of COVID-19; or
- The caregiver who usually provides care is unavailable for reasons related to the pandemic.

The CRCB is limited to one person per household for the same period. As with the CRSB, to qualify workers must miss at least 60% of their scheduled work for the week in which they're claiming the benefit. Workers can't get the CRCB for any week in which they're on paid leave or getting the CERB or similar EI benefit.