

Goodbye CERB, Hello EI Enhancements, CRB, CRSB & CRCB



Federal government winds down CERB and transitions to new system to support workers affected by COVID-19

"It's the end of the CERB as we know it, it's the end of the CERB as we know it, it's the end of the CERB as we know it, and I feel fine."

These lyrics would have perfectly suited Michael Stipe, lead singer of the 1990's rock band R.E.M., had he been a Canadian worker displaced by COVID-19, particularly on August 20, when the federal government unveiled its plan to wind down the CERB and replace it with EI. Here are the key details.

One Last CERB Extension

The CERB is once more being extended by an additional 4 weeks to a 28-week maximum, ending on September 26, 2020. At that point, employees who are still unemployed due to COVID-19 will have to look to EI for relief. But the corresponding EI benefits changes will provide a safety net—the "I feel fine" antidote to "the end of the CERB as we know it."

Expansion of EI Benefits

Effective September 27, 2020, 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.

Exception

Measures relating to maternity and parental benefits won't apply to Québec residents because they already get maternity, parental and adoption benefits from the province via the QPIP.

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.