



MAPLE RIDGE | LANGLEY  
CHARTERED PROFESSIONAL ACCOUNTANTS

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## **CLIENT NEWS BULLETIN**

September 1, 2020

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## **CERB Extension and EI and benefit changes**

### **CERB and EI Changes**

The Canada Emergency Response Benefit (CERB), a temporary response benefit to support Canadians who had to stop working due to the pandemic, has been extended up from 24 weeks to 28 weeks ending September 26, 2020. This extension is for any workers who stopped working due to COVID-19, are eligible for Employment Insurance regular or sickness benefits, or have exhausted their Employment Insurance regular benefits or Employment Insurance fishing benefits between December 29, 2019 and October 3, 2020.

Subsequent to the end of CERB, the government of Canada has announced an enhanced simplified EI program for a one-year period. This enhanced EI will have the following changes from regular EI benefits:

#### **Hours credits to enhance access to EI regular benefit and EI special benefits**

Access to EI benefits is normally based on the number of insurable hours an individual has worked in the year prior to their application, or since their last claim. To help individuals qualify a reduced minimum of 120 hours of work has been set by allowing EI claimants to receive a one-time insurable hours credit of:

- 300 insurable hours for claims for regular benefits (job loss)
- 480 insurable hours for claims for special benefits (sickness, maternity/parental, compassionate care or family caregiver)

The hours credit will also be made retroactive to March 15, 2020 for claimants who were looking to transition early from the CERB to EI maternity, parental, compassionate care, family caregiver or work-sharing benefits but could not establish their EI claim due to insufficient hours. For these claimants, the qualifying period will also be extended.

#### **Minimum EI unemployment rate across Canada**

A minimum unemployment rate of 13.1% is being used for all EI economic regions in order to lower the hours required to qualify for EI regular benefits. Individuals in EI regions with an unemployment rate lower than 13.1% will have their EI benefits calculated on the basis of the 13.1% rate, while those in regions with a higher rate will have their benefits calculated using the actual higher rate.

This minimum unemployment rate will provide the following benefits to workers looking to claim EI:

- Uniform eligibility requirement of 420 hours of insurable employment (before the hours credit is applied);

- Provide a minimum entitlement of 26 weeks of regular benefits;
- And set 14 as the best number of weeks of earnings to use in a calculation of the weekly benefit rate

### **Minimum benefit rate**

To further support workers and in addition to the above measures that will increase access to the program, new EI claimants as of September 27, 2020 will receive a minimum benefit rate of \$400 per week (or \$240 for extended parental benefits), if this is higher than what their benefits would otherwise be.

### **New Benefit Programs**

#### **Canada Recovery Benefit**

The new Canada Recovery Benefit would be effective from September 27, 2020 for one year and would provide a benefit amount of \$400 per week for up to 26 weeks to workers who are not eligible for EI, mainly the self-employed and including those working in the gig economy.

The benefit would be available to residents in Canada who:

- are at least 15 years old and have a valid Social Insurance Number (SIN)
- have stopped working due to the COVID-19 pandemic and are available and looking for work; or are working and have had a reduction in their employment/self-employment income for reasons related to COVID-19
- are not eligible for EI
- had employment and/or self-employment income of at least \$5,000 in 2019 or in 2020 and
- have not quit their job voluntarily

Workers would apply after every 2 week period for which they are seeking income support and attest that they continue to meet the requirements. In order to continue to be eligible for the benefit the claimant would need to look for and accept work when it is reasonable to do so. The benefit is taxable.

To encourage claimants to return to work, they would be able to earn income from employment and/or self-employment while receiving the benefit, as long as they continue to meet the other requirements. However, to ensure that the benefit targets those who need it most, claimants would need to repay some or all of the benefit through their income tax return if their annual net income, excluding the Canada Recovery Benefit payment, is over \$38,000. In other words, claimants would need to repay \$0.50 of the benefit for each dollar of their annual net income above \$38,000 in the calendar year to a maximum of the amount of benefit they received.

#### **Canada Recovery Sickness Benefit**

The new Canada Recovery Sickness Benefit would provide \$500 per week, for up to 2 weeks, effective September 27, 2020 for 1 year, for workers who are unable to work because they are sick or must self-isolate due to COVID-19.

The benefit would be available to:

- residents in Canada who are at least 15 years of age and have a valid Social Insurance Number (SIN)
- workers employed or self-employed at the time of the application and
- workers who earned at least \$5,000 in 2019 or in 2020

Workers would not be required to have a medical certificate to qualify for the benefit. Workers could not claim the Canada Recovery Sickness Benefit and receive other paid sick leave for the same benefit period. Workers would need to have missed a minimum of 60% of their scheduled work in the week for which they claim the benefit.

Workers would apply after the one-week period in which they are seeking income support and attest that they meet the requirements. The benefit would be taxable.

### **Canada Recovery Caregiving Benefit**

The new Canada Recovery Caregiving Benefit, would provide \$500 per week, for up to 26 weeks per household to eligible Canadians to help ensure parents and others with dependents do not need to choose between caring for them and paying the bills.

In order to be eligible for the Canada Recovery Caregiving Benefit, individuals would need to:

- reside in Canada
- be at least 15 years of age on the first day of the period for which they apply for the benefit
- have a valid Social Insurance Number
- be employed or self-employed on the day immediately preceding the period for which the application is made
- have earned at least \$5,000 in 2019 or in 2020
- have been unable to work for at least 60% of their normally scheduled work within a given week because of one of the following conditions:
  - they must take care of a child who is under 12 years of age on the first day of the period for which the benefit is claimed:
  - because their school or daycare is closed or operates under an alternative schedule for reasons related to the COVID-19 pandemic
  - who cannot attend school or daycare under the advice of a medical professional due to being at high risk if they contract COVID-19, or
  - because the caregiver who usually provides care is not available for reasons related to the COVID-19 pandemic, or
- they must provide care to a family member with a disability or a dependent:
  - because their day program or care facility is closed or operates under an alternative schedule for reasons related to COVID-19
  - who cannot attend their day program or care facility under the advice of a medical professional due to being at high risk if they contract COVID-19, or
  - because the caregiver who usually provides care is not available for reasons related to the COVID-19 pandemic
- not be in receipt of paid leave from an employer in respect of the same week, and
- not be in receipt of the CERB, the EI Emergency Response Benefit (ERB), the Canada Recovery Benefit, the Canada Recovery Sickness Benefit, short-term disability benefits, workers' compensation benefits, or any EI benefits or Quebec Parental Insurance Plan (QPIP) benefits in respect of the same week

Workers would apply after the period in which they are seeking income support and attest that they meet the requirements. Two members residing in the same household could not be in receipt of the benefit for the same period. The benefit is taxable.

In the coming weeks, the CRA will provide more details on how and when Canadians can get ready to apply for the various benefits at [www.canada.ca/coronavirus](http://www.canada.ca/coronavirus).

For the full details of this announcement, see the [backgrounder](#)