

This Month:

- Canada Recovery Benefit
- Canada Recovery Sickness Benefit
- Canada Recovery Caregiver Benefit

Canada Recovery Benefit

The Canada Recovery Benefit (CRB) gives income support to employed and self-employed individuals who are directly affected by COVID-19 and are not entitled to Employment Insurance (EI) benefits. The CRB is administered by the Canada Revenue Agency (CRA). If you are eligible for the CRB, you can receive \$1,000 (\$900 after taxes withheld) for a 2-week period. If your situation continues past 2 weeks, you will need to apply again. You may apply up to a total of 13 eligibility periods (26 weeks) between September 27, 2020 and September 25, 2021.

The “basic” criteria to qualify are as follows:

- reside in Canada – ie live and have a home in Canada. You do not have to be a citizen or have permanent residency
- minimum eligible age is 15 years
- have a SIN
- earned at least \$5 000 in employment, self-employment, maternity or parental benefits, or “ordinary/non-eligible” dividends, in either 2019, 2020, or in the 12 months before the date of application
- must not have voluntarily quit your job or reduced your hours on or after September 27, 2020
- must be seeking work during the period

You must also meet one of these criteria for each 2-week period you apply for:

- you must not be employed or self-employed for reasons related to Covid-19 **OR**
- you had a 50% reduction in your average weekly income compared to 2019 (or the previous 12 months) due to Covid-19. The 50% reduction is based on your average weekly income compared to the previous year due to Covid-19.

You are not eligible to receive the CRB if you are receiving the Canada Recovery Sickness Benefit or the Canada Recovery Caregiving Benefit, short-term disability benefits, workers’ compensation benefits, EI benefits, or Quebec Parental Insurance Plan benefits. There will be a callback of 50% of the CRB if your net income is more than \$38 000 in the calendar year. The \$38 000 excludes any CRB payments received.



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Canada Recovery Sickness Benefit

The Canada Recovery Sickness Benefit (CRSB) gives income support to employed and self-employed individuals who are unable to work because they are sick or need to self-isolate due to COVID-19, or have an underlying health condition that puts them at greater risk of getting COVID-19. The CRSB is administered by the Canada Revenue Agency (CRA). If you are eligible for the CRSB, you can receive \$500 (\$450 after taxes withheld) for a 1-week period. If your situation continues past 1 week, you will need to apply again. You may apply up to a total of 2 weeks between September 27, 2020 and September 25, 2021.

To be eligible, you will need to meet the “base” criteria as outlined on the previous page for the Canada Recovery Benefit. In addition, you must be unable to work at least 50% of your scheduled work week because you are self-isolating because you are sick with Covid-19 or may have Covid-19, or you have been advised to self-isolate, or you have an underlying health condition that puts you at greater risk of getting Covid-19. Of course, you do not qualify if you are receiving paid leave from your employer.

Canada Recovery Caregiver Benefit

The CRCB is also administered by the Canada Revenue Agency (CRA). The CRCB pays you \$500 (\$450 after taxes withheld) for a 1-week period – application must be made every week if the conditions for eligibility continue. Eligibility includes the “basic” criteria cited previously for the other programs described above, and you must be unable to work for at least 50% of a working week because you must attend to a child under age 12 or a family member who needs supervised care. This applies if their school or daycare or facility is closed or unavailable to them due to Covid-19 or because they are sick, self-isolating, or at risk of serious health complications due to Covid-19. Only one person per household can apply for this benefit, and you must not be receiving paid leave from your employer for the same period.

It applies as of September 27, 2020 and is in effect for one year.

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Padgett Business Services is dedicated to meeting the tax, government compliance, profit & financial reporting and payroll needs of businesses with fewer than 20 employees in the retail and service sector of the economy. This publication suggests general business planning concepts that may be appropriate in certain situations. It is designed to provide complete and accurate information to the reader. However, because of the complexities of the tax law and the necessity of determining whether the material discussed herein is appropriate to your business, it is important you seek advice from your Padgett office before implementing any of the concepts suggested in this newsletter.