

April 8, 2020

## **How to apply for the Canada Emergency Response Benefit**

On March 24, the Canadian government passed [Bill C-13](#) to enact the Canada Emergency Response Benefit (CERB) to help individuals who are no longer earning income due to COVID-19. The program actually started receiving applicants on April 6, but questions remain to be answered.

Please find below information Young Associates has validated from government sources. We also discuss some of the questions we are receiving, for which we don't believe clear, categorical answers yet exist. We hope to be able to update this tipsheet with additional information as it becomes available.

As always — independent research should be done if you are looking into applying for this benefit yourself.

This benefit is geared to individuals. We are directing this tipsheet to employers, too, who are receiving questions from laid-off staff members and from freelancers who have lost their gigs.

### **What is the CERB?**

The Canada Emergency Response Benefit ("CERB") is an income support payment payable to eligible workers for up to four (4) months within the period falling between March 15, 2020 and October 3, 2020 for workers who have ceased work and are not receiving income as a result of COVID-19. It will be paid out to qualifying individuals monthly at \$2000/month for a maximum of 16 weeks. Individuals will be required to apply to the program each month to affirm their lack of income.

The CERB pays slightly less than the maximum EI amount, giving out \$500 per week (\$2,000 per month).

If you're eligible for EI (which has different qualifying requirements from CERB), you have to apply for EI first. Note that EI pays out 55% of your earnings. If that works out to more than \$500 per week, EI is your best bet.

Otherwise, the CERB is best for you.

## Eligibility

You are eligible for the CERB if you meet the following requirements:

- Resident of Canada with a valid Social Insurance Number
- Are at least 15 years old
- Who have stopped working for any of the following reasons:
  - You have been let go from your job or your hours have been reduced to zero
  - You are in quarantine or sick due to COVID-19
  - You are taking care of others because they are in quarantine or sick due to COVID-19
  - You are away from work to take care of children or other dependents whose care facility is closed due to COVID-19
  - You cannot quit your job voluntarily
- Earned at least \$5,000 in 2019 or in the 12 months prior to the date of your application by any of the following means:
  - Employment; self-employment; maternity and parental benefits under the Employment Insurance program, and/or similar benefits paid in Quebec under the Quebec Parental Insurance Plan
- You are or expect to be without employment or self-employment income for at least 14 consecutive days in the initial four-week period (March 15 - April 11). For subsequent benefit periods, you expect to have no employment income.
  - NOTE: it is unclear right now how the government intends earnings to be reported. There are two options. You might count earnings based on when you receive the money. That's the normal basis for income tax reporting for individuals. Or, you might count earnings based on when you did the work (i.e. typically before you receive the money.) That's the normal basis for business accounting.

## How to Apply

There are two ways to apply:

- Online using CRA's My Account
- By phone using an automated toll-free line at 1-800-959-2019. Phone applicants will need to provide their social insurance number and postal code for security purposes.

Both services are available 21 hours/day, 7 days/week from 6AM to 3AM.

There is one application portal for both EI and CERB. You will be asked to answer a number of questions that direct you to one benefit or the other.

When applying, you will need to provide your personal contact information and Social Insurance Number, and confirm that you meet the eligibility requirements outlined above. The government's

current priority is to get this money to the people who need it, but they will be verifying eligibility at a future date when you may be asked to provide additional documentation.

In order to not overwhelm the system, please obey the following chart to determine when to apply. This schedule will not affect the payment schedule.

<b>If you were born in the month of:</b>	<b>Apply for CERB on</b>	<b>Your best days to apply</b>
January, February or March	Mondays	April 6, 13
April, May, or June	Tuesdays	April 7, 14
July, August, or September	Wednesdays	April 8, 15
October, November, or December	Thursdays	April 9, 16
Any month	Fridays, Saturdays and Sundays	

## How it will be paid out

The Benefit, in the amount of \$2,000, will be paid in blocks of four weeks. This is equivalent to \$500 per week. A maximum of 16 weeks of benefits can be paid.

The Benefit is taxable although tax will not be deducted at source. You will be expected to report the Benefit as income when you file your income tax for the 2020 tax year.

Benefits will start within 10 days of you submitting an application. There is no waiting period.

Payments will be made through [direct deposit](#) or by cheque. You will be paid more quickly if you choose direct deposit through your CRA My Account. Your payments will be retroactive to your eligibility date.

## Open questions

Because this is a new program, and because it has been rolled out rapidly, we are aware of unresolved questions. Be careful of what you hear, even from CRA's phone services! You can trust info that the government has put in writing.

Does the government want us to report earnings based on when we did the work or when we got the money?

Will the 14 day period of no income be calculated based on the date when you receive your pay, or the date when the work was completed? We have seen posts from individuals who appear to have received conflicting advice from CRA.

Will there be any consideration for workers who are still working, but on a much-reduced schedule? We have heard discussion of support for individuals working fewer than a certain number of hours per week.

Will there be any consideration for categories of workers who may not meet the CERB eligibility criteria, but who still need assistance?

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*This tip sheet was created by Heather Young CPB and the Young Associates team based on the best information available to us as of the date of posting. We are happy to receive your comments at [info@youngassociates.ca](mailto:info@youngassociates.ca).*

*Young Associates works for nonprofit organizations. We do not do personal income tax.*

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*Founded in 1993, Young Associates provides bookkeeping and financial management services in the charitable sector, with a focus on arts and culture. Young Associates also provides consulting services in the areas of data management, business planning and strategic planning. Heather Young published [Finance for the Arts in Canada \(2005, 2020\)](#), a textbook and self-study guide on accounting and financial management for not-for-profit arts organizations.*

**Sources:**

<https://www.canada.ca/en/services/benefits/ei/cerb-application.html>

<https://mathewsdinsdale.com/federal-government-provides-new-details-related-to-75-wage-subsidy-and-canada-emergency-response-benefit-cerb-in-response-to-covid19/>

<https://www.canada.ca/en/revenue-agency/services/benefits/apply-for-cerb-with-cra.html>

<https://payroll.ca/Late-Breaking-Payroll-News>

<https://www.canada.ca/en/services/benefits/ei/cerb-application/questions.html>