

## MEMORANDUM

### Canada Emergency Response Benefit (CERB)

March 28, 2020

To support workers and help businesses keep their employees, the government has established the Canada Emergency Response Benefit (“CERB”). This taxable benefit would provide \$2,000 a month for up to four months (\$8,000 maximum) for workers who lose their income as a result of the COVID-19 pandemic.

#### **Who qualifies for the CERB:**

- A worker, whether employed or self-employed, who ceases working for at least 14 consecutive days may apply for the CERB for any four-week period falling within the period beginning March 15, 2020 and ending on October 3, 2020.
- The worker should not receive, during the ceased working period, any of the following:
  - Income from employment or self-employment,
  - Any benefits under the Employment Insurance Act, or
  - Allowance, money or other benefits received under a provincial plan because of pregnancy, new-born children or adoption.

Note, this means any worker that receives Employment Insurance (“EI”) will not be eligible for this program. Furthermore, if an employee quits their employment voluntarily they also do not qualify for this program.

#### **What are the “reasons” to cease work:**

- Workers who must stop working due to COVID-19 and do not have access to paid leave or other income support.
- Workers who still have their employment but are not being paid because there is currently not sufficient work and their employer has asked them not to come to work.
- Workers who are sick, quarantined, or taking care of someone who is sick with COVID-19.
- Working parents who must stay home, without pay, to care for children that are sick or need additional care because of school and daycare closures.

## **Who is a “Worker”**

- At least 15 year of age
- Resident of Canada
- Income of at least \$5,000 in the previous 12 months or the previous tax year from one or more of the following sources:
  - Employment,
  - Self-employment,
  - Employment insurance amounts received because of pregnancy and/or parental benefits as an employee or self-employed person, or
  - Allowance, money or other benefits received under a provincial plan because of pregnancy, new-born children or adoption.

## **The CERB program details:**

- No worker is permitted to file an application after December 2, 2020.
- The benefit is for any four-week period falling within the period beginning March 15, 2020 and ending on October 3, 2020.
- The government is anticipating that the payments will be paid within 10 days of submitting the application.
- The payment of \$2,000 will be made every four weeks up to a maximum of 4 four week periods (\$8,000 maximum).
- Any amounts received will be taxable.

## **What effect does the EI program have on the CERB:**

- If the worker is currently receiving EI, the worker is not eligible for the CERB.
- A worker who has ceased working due to COVID-19, whether they are EI-eligible or not, would be able to receive the CERB.
- If the worker’s EI benefits end before October 3, 2020, the worker could apply for the CERB once their EI benefits cease, if they are unable to return to work due to COVID-19.

## **How to apply:**

- Application can be done through a secure web portal starting in early April.
- Applicants can also apply via an automated telephone line or via a toll-free number starting in early April.