

Federal government to extend CERB for a month and provide a new EI benefit for self-employed workers

kawarthanow.com/2020/08/20/federal-government-to-extend-cerb-for-a-month-and-provide-a-new-ei-benefit-for-self-employed-workers/

August 20, 2020

CERB extension, three new EI benefits, EI reforms, and freezing of EI premiums expected to cost \$39 billion

By [kawarthaNOW](#) -
Published



Canada's finance minister Chrystia Freeland and employment minister Carla Qualtrough announcing the extension of the Canada Emergency Response Benefit for another month and new recovery benefits in the employment insurance program on Parliament Hill on August 20, 2020. (CPAC screenshot)

People who have lost their jobs due to the COVID-19 pandemic will continue to receive assistance, as the federal government revealed on Thursday (August 20) that the Canada Emergency Response Benefit (CERB) will be extended for another month, before being transitioned into the employment insurance (EI) program.

Federal employment minister Carla Qualtrough and new finance minister and deputy prime minister Chrystia Freeland announced the details of the plan at a media conference on Parliament Hill on Thursday afternoon.

“There’s no denying that the Canada Emergency Response Benefit has helped millions of Canadians,” Qualtrough said. “Canadians have confidence in this program. It’s been a lifeline for many people and has been monumental in our country’s efforts to slow the spread of the virus, keeping Canadians safe and supporting our economy.”

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Qualtrough announced that the \$2,000-per-month CERB benefit, which is in its final month for those who have applied consecutively for the past five months, will be extended for another four weeks for a total of 28 weeks. Qualtrough said the extension will provide “certainty and continuity”.

Qualtrough said it’s important to continue the financial support as different regions of the country are reopening at different rates, and to accommodate the possibility of future lockdowns, as well as recognizing the uncertainty of parents that they will be available for work as schools and day cares reopen.

In addition to the CERB extension, Qualtrough announced details of the transition from CERB to EI, which will come into effect on September 27th.

A new EI benefit, called the Canada Recovery Benefit, will be made available for those previously receiving CERB who would not normally qualify for EI, including those who are self-employed or gig workers.

The benefit will pay \$400 per week (\$1,600 per month), which is \$400 a month less than CERB. Consistent with EI, workers receiving the new benefit can continue to earn money, but will be required to repay 50 cents of every dollar earned above \$38,000.

Qualtrough also announced the Canada Recovery Caregiving Benefit, which will provide \$500 per week for eligible Canadians who are unable to work because they need to provide care or support for a child, family member, or dependent, and the Canada Recovery Sickness Benefit, which will provide \$500 per week for workers who are unable to work because they are sick or have to self-isolate for reasons related to COVID-19.

The Canada Recovery Benefit and Canada Recovery Caregiving Benefit will be available for up to 26 weeks over a one-year period. The Canada Recovery Sickness Benefit will be available for two one-week periods within a single year.

Qualtrough said the federal government will table legislation to create these benefits during the first week when the House of Commons resumes sitting on September 23rd.

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“For the millions of Canadian workers who will have access to EI because of these changes, we want to ensure you that there will be equity between the EI program and the recovery benefits,” Qualtrough said. “We’ll be establishing a minimum EI benefit amount of \$400 per week to ensure that no-one on EI is receiving less than someone on the recovery benefit.”

Along with the new recovery benefits and minimum EI benefit, the government also announced reforms to EI, including eligibility. Canadians will now need only 120 hours of eligible employment to qualify. The same criteria applies to maternity, parental, sickness, and compassionate care of family caregiver benefits.

“By supporting Canadians who are out of work because of the pandemic, we are making it possible for our country to practice social distancing and to do the right thing in the fight against the coronavirus,” finance minister Chrystia Freeland said. “As we shift towards living with COVID-19, our approach also needs to evolve.”

Freeland said the EI reforms recognize that workers affected by the pandemic may no longer qualify for EI under the old eligibility rules, because of greatly reduced hours.

Freeland also announced that EI premium payments that both workers and employers are required to pay will be frozen at 2020 levels for two years, amounting to an estimated \$2 billion over two years.

“This will make it easier for Canadian businesses and Canadian workers to get back to work in this difficult time,” Freeland said. “We want to encourage Canadian businesses to hire back their workers, rather than to spend their money paying higher EI premiums.”

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Qualtrough said the total cost of the announced changes is estimated at \$37 billion over one year, with the extension of CERB for another month costed at \$8 billion, the three new EI recovery benefits at \$22 billion, and the additional EI reforms at \$7 billion.

Freeland added that, taking into account the loss of \$2 billion in revenue through the freezing of the EI premiums, the total economic impact of the changes is \$39 billion over two years.

Assuming parliament approves the legislation to create the new recovery benefits, Canadians can begin applying for them in October, with payments made in three to five days.

In response to a reporter’s question about whether these changes will be permanent, Qualtrough said “it’s too early to tell”.

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