Legal update

Canada Emergency Response Benefit: Update

April 22, 2020
Employment and labour

On March 25, the Canada Emergency Response Benefit Act (Act) was passed to provide financial support to workers suffering a loss of income for reasons related to COVID-19 (CERB). What follows is an overview of the main conditions that the federal government has since clarified regarding the Act’s application.

Summary

• The CERB will offer eligible workers $2,000 per month for up to four months;
• These benefits are taxable;
• This amount will not be subject to a waiting period, but will be paid to workers within three (if by direct deposit) or 10 (if by cheque) business days following their application; and
• The CERB will be available from March 15, 2020, to October 3, 2020, and applications may be filed until December 2, 2020.

Canada Emergency Response Benefit

Workers

Which workers are covered has not changed since our last publication – “Preliminary analysis of the new Canada Emergency Response Benefit Act.” They must still be at least 15 years of age, be residents in Canada and, for 2019 or the 12-month period preceding their application, have a total income of at least $5,000 from:

• Employment;
• Self-employment;
• Employment insurance maternity or parental benefits; or
• Allowances, benefits or amounts paid under a provincial plan because of pregnancy or parental care.

According to the latest government announcements, this income includes non-eligible dividends, but does not include pensions, student loans and bursaries.
Eligibility

The CERB eligibility requirements have recently been expanded. To be eligible, workers must now have stopped working or expect to stop working due to COVID-19 and find themselves in either of the following situations:

- For the first CERB application: they do not expect to receive more than $1,000 (before taxes) from employment and/or self-employment income for at least 14 days in a row during the four-week payment period; or
- Subsequent applications: they do not expect their situation to change during the four-week period for which they are applying and do not expect to receive more than $1,000 (before taxes) from employment and/or self-employment income.

Workers who are eligible to receive Employment Insurance (EI) regular or sickness benefits and workers who have exhausted their EI benefits in the period between December 29, 2019, and October 3, 2020, are also eligible to receive the CERB.

Eligibility periods

The four-week CERB eligibility periods are the following:

<table>
<thead>
<tr>
<th>Application Cycle</th>
<th>Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st cycle</td>
<td>March 15, 2020, to April 11, 2020</td>
</tr>
<tr>
<td>2nd cycle</td>
<td>April 12, 2020, to May 9, 2020</td>
</tr>
<tr>
<td>3rd cycle</td>
<td>May 10, 2020, to June 6, 2020</td>
</tr>
<tr>
<td>4th cycle</td>
<td>June 7, 2020, to July 4, 2020</td>
</tr>
<tr>
<td>5th cycle</td>
<td>July 5, 2020, to August 1, 2020</td>
</tr>
<tr>
<td>6th cycle</td>
<td>August 2, 2020, to August 29, 2020</td>
</tr>
<tr>
<td>7th cycle</td>
<td>August 30, 2020, to September 26, 2020</td>
</tr>
</tbody>
</table>

CERB applications

CERB applications can be filed online or over the phone. In both cases, workers will be asked to file one application on the day listed for their birth month, and this for each eligibility period indicated above:

<table>
<thead>
<tr>
<th>Birth month</th>
<th>Day(s) for applying</th>
</tr>
</thead>
<tbody>
<tr>
<td>January, February, March</td>
<td>Monday</td>
</tr>
<tr>
<td>April, May, June</td>
<td>Tuesday</td>
</tr>
<tr>
<td>July, August, September</td>
<td>Wednesday</td>
</tr>
<tr>
<td>October, November, December</td>
<td>Thursday</td>
</tr>
<tr>
<td>Any month</td>
<td>Friday, Saturday, Sunday</td>
</tr>
</tbody>
</table>

When filing their applications, workers will be asked to provide their contact information and social insurance numbers, and confirm they meet the CERB eligibility requirements. However, they may later be asked to send additional documents to verify their eligibility. Note that workers will not be required to provide medical certificates in support of their applications.

Workers whose situation persists must file a new CERB application for each four-week eligibility period, up to a maximum of 16 weeks.

Workers who start working again after getting a CERB payment and then stop working will need to re-apply for the CERB. In such cases, workers may be required to return or repay the CERB received, notably if the income they earn when they return to work in the eligibility period for which they filed the application exceeds $1,000.
Workers who received a CERB payment and know that they will need to repay it may consult the steps for returning or repaying the CERB.

**CERB amounts**

The CERB amount to which workers will be entitled for a given week is set at $500, regardless of the EI amount (whether lower or higher) to which they would have been entitled.

**Interaction with government programs**

- **CERB and Work-Sharing program**: Work-Sharing program participants cannot receive CERB benefits, only EI benefits.
- **CERB and Supplemental Unemployment Benefits**: to date, the government has not clarified what impact the CERB will have on Supplemental Unemployment Benefits.
- **CERB and Canada’s Emergency Wage Subsidy**: employers cannot request Canada’s Emergency Wage Subsidy for workers who have been without remuneration for 14 or more consecutive days in a given eligibility period. In this situation, workers will therefore be eligible for the CERB if they meet the other eligibility requirements.

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