

Canada Emergency Response Benefit Update and FAQ

As of April, 6, 2020, workers can apply for the new Canada Emergency Response Benefit (“CERB”). The following update sets out what CERB is, how employees can apply, and how it may affect the federal government’s other employment benefit initiatives, such as the Canada Emergency Wage Subsidy. The Government of Canada’s primer on CERB can be found [here](#).

What is CERB?

CERB is a weekly \$500 payment made directly to workers whose earnings have been interrupted between March 15, 2020 and October 3, 2020 because of COVID-19 or for reasons that would ordinarily qualify for regular or sickness Employment Insurance (“EI”) benefits. CERB modifies the existing EI system to help process the influx of unemployment claims during the COVID-19 pandemic.

Eligible employees can receive CERB payments for a maximum of 16 weeks, broken into four-week periods. Employees eligible in one four-week period will have to re-certify their eligibility for the benefit in the next four-week period.

CERB payments will start within 10 days of application. There is no waiting period. Payments will be made through direct deposit or by cheque, retroactive to the date of eligibility.

CERB payments will not be deducted at the source. Participants will receive the entire \$500 payment each week. However, the benefit is deemed income and will have to be reported as such on the employee’s 2020 tax return.

Who qualifies for CERB?

To be eligible for CERB, an employee must:

- be a resident of Canada;

- be at least 15 years old;
- have stopped working because of COVID-19 or be eligible for EI regular or sickness benefits;
- have had an income of at least \$5,000 in 2019 or in the 12 months prior to the date of their application; and
- be expected to be without employment or self-employment income for at least 14 consecutive days in the initial four-week period of the application. For subsequent benefit periods, they should expect to have no employment income.

Employees do not need to provide a medical certificate to receive CERB payments if they are in quarantine or sick from COVID-19.

Examples of having “stopped working because of COVID-19” include but are not limited to:

- being fired from work or laid off with hours of work reduced to zero;
- being quarantined or sick due to COVID-19;
- being away from work to take care of others because they are in quarantine or sick due to COVID-19; or
- being away from work to take care of children or other dependents whose care facility is closed due to COVID-19.

This means employees may be eligible for CERB even if they are not “laid off” because of COVID-19. Employees who remain employed but are simply receiving no income because of COVID-19 can still receive payments, assuming they meet the other eligibility criteria.

Note that employees may also qualify for CERB payments if they have experienced an interruption in their earnings not “because of COVID-19” but for reasons that would otherwise qualify them for [regular](#) or [sickness](#) EI benefits.

Employees who voluntarily quit or left their job do not qualify for CERB.

How do people apply for CERB?

As of April 6, 2020, eligible employees should apply for CERB directly online through their “My CRA Account” or by phone. There will be a new CERB portal for online applications.

Eligible employees can apply for CERB retroactively to March 15, 2020:

- **Employees who became eligible before March 15, 2020** and applied for EI will continue to receive EI regular benefits rather than CERB. The regular EI rules would apply with any modifications previously announced by the federal government (e.g., waiver of the one-week waiting period if the interruption in earnings was because of COVID-19). This is so even if the employee applies for benefits after March 15, 2020. If the employee’s EI benefit period ends before October 3, 2020, then the employee may apply for CERB.
- **Employees who became eligible between March 15 and April 6, 2020, applied for EI, and are already receiving payments** will continue to receive EI. If the employee’s EI benefit period ends before October 3, 2020, then the employee may apply for CERB.
- **Employees who became eligible between March 15 and April 6, 2020, applied for EI benefits, but are not yet receiving payments** will receive CERB rather than EI. Their applications will be automatically placed into a queue to receive CERB. These employees do not need to do anything to be transferred onto CERB.
- **Employees who become eligible on or after April 6, 2020** should apply directly for CERB online or over the phone. In an effort to manage the anticipated surge of applications, the CRA is asking employees to apply according to their birth month, as follows:

Birth Month:	Day of Week to Apply:	Best Day to Apply:
January, February or March	Mondays	April 6, 2020
April, May, or June	Tuesdays	April 7, 2020
July, August, or September	Wednesdays	April 8, 2020
October, November, or December	Thursdays	April 9, 2020

Any month	Fridays, Saturdays, and Sundays	
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Both online and phone applications are available 21 hours a day, seven days a week. Both services are closed from 3 a.m. to 6 a.m. EST for maintenance.

How will CERB affect Employment Insurance?

CERB is intended to ease the anticipated burdens on the EI system during the COVID-19 pandemic. Employees who would have otherwise been eligible for regular or sickness EI benefits on or after March 15, 2020 will instead receive CERB payments.

This means any employee eligible for CERB will receive the weekly \$500 payment in lieu of whatever they would have received under EI:

- Employees who would have been eligible for more than \$500 from regular or sickness EI benefits will only receive the \$500 CERB payment during the 16-week CERB period.
- Employees who would have been eligible to receive less than \$500 from regular or sickness EI benefits will receive the full \$500 CERB payment during the 16-week CERB period.

Receiving income from CERB will not impact an employee's eligibility for regular or sickness EI benefits after the 16-week CERB period ends.

CERB does not affect other EI programs, such as maternity, parental, caregiving, fishing, and work sharing benefits. Employees who are eligible for those benefits should continue to apply for them rather than for CERB.

An employee currently receiving those special EI benefits is expected to return to work at the end of the collection period. However, if the employee's work is unavailable when they attempt to return to work because of COVID-19, they may be eligible for CERB at that time.

How is CERB affected by payments from other government initiatives?

CERB payments are only available to employees who expect "to be without employment or self-employment income for at least 14 consecutive days in the initial

four-week period of the application.” Employment income therefore disqualifies employees from accessing the benefit.

- **Canada Emergency Wage Subsidy (“CEWS”).** Employees receiving wages from their employer through the CEWS will not be eligible for CERB payments. Our previous update on the CEWS can be found [here](#).
- **Work-Sharing Programs.** Employees subject to a work-sharing program will not be eligible for CERB payments. [Work-sharing programs](#) allow employers to avoid layoffs by temporarily reducing working hours for various employees, with agreement from both the employees and Service Canada. Employees can access EI benefits to supplement their reduced income, but they are not eligible for CERB. Note that the government has [modified](#) the requirements for work-sharing programs in light of the pandemic.
- **Supplementary Unemployment Benefit (“SUB”) Plans.** It is unclear how SUB Plans will apply to CERB. A SUB Plan is a voluntary program some employers may use to provide payments that supplement their employees’ EI benefits. If those supplementary payments are not made through a [SUB Plan registered with Service Canada](#), they will be considered income and may reduce the employee’s EI benefits. Employees who began to receive EI payments before CERB was implemented will still benefit from SUB Plan supplements. There is no indication at this time that SUB Plans can be used to supplement CERB. However, technically, payments under a SUB Plan are not “earnings” for the purposes of EI, so there might be some reason to think that the same would be true for eligibility under CERB.

This publication is intended only to provide general information. It should not be relied on as legal advice. For specific legal advice, please contact: [Leslie Dizgun](#), [Allyson Fischer](#), [Lorne Honickman](#), [Justin Anisman](#), or [William McLennan](#).