Canada Revenue Agency: 3 Things You Need to Know About CERB

Description

For Canadians who are out of work due to the COVID-19 pandemic, the government's introduced the Canada Emergency Response Benefit (CERB). The CERB payments provide individuals with $500 per week for up to 16 weeks in total. However, there are certain things that some people may not know about the CERB that could lead to unexpected problems later on.

Here are three of the most important things you need to know about the CERB today:

You can still earn an income

fThe CERB can help if you've lost your job, but the government does allow you to earn up to $1,000 in during the four-week period of your claim. When you make your first claim, however, the limit applies to 14 or more consecutive days during the four-week benefit periods.

In subsequent claims, the limit applies to the entire period. However, the caveat here is that if your employer is hiring you back and receiving benefits from the Canada Emergency Wage Subsidy (CEWS), which pays for up to 75% your wages, that could make you ineligible for the CERB. Your employer can't receive benefits to help pay you during a time when you're also receiving CERB (if you have earned [more than $1,000](#) in income for 14 or more consecutive days within the 4-week period cycle of the claim.).

If you're ineligible for CERB, you may receive a call from the Canada Revenue Agency

While the government's still in a giving mood, it's happily accepting applicants for the CERB and making payments whether they're eligible or not. However, when it comes to tax season next year, or perhaps even sooner than that, and the government finds that you weren't eligible for the payments, then you may receive a call from the Canada Revenue Agency (CRA) asking you to pay them back.

If you want to pay the CERB back, you can mail a cheque back to the CRA's tax centre in Sudbury, Ontario. But if you're not sure, your best bet would be to confirm with the CRA.

It's a taxable benefit

The CERB isn't tax-free, and recipients will have to include it in their income for the 2020 tax year. That means that you could potentially have to pay taxes on the CERB depending on your tax bracket and how much you've earned during the year. That's why it's a good idea to set aside some of those CERB payments, just in case.

Why you should use the CERB to help build up savings habits today

If you don't have savings, now's a good time to try to cut back on spending and create some good habits to save money. Doing so could enable you to invest in dividend stocks that can provide you with excellent long-term payouts.

Fortis Inc (TSX:FTS)(NYSE:FTS) is a great example of a dividend stock that investors can buy and forget about. The utility company consistently pays dividends and it's increased them over the years as well.

Today, investors can earn $0.4775 every quarter on every share that they own of Fortis. That's 6.1% more than the $0.45 that the company was paying a year ago.

If you go back three years, the dividend payments were $0.40 — and the company plans to continue growing its dividend. That means that you can be earning more on your initial investment just by holding onto shares of Fortis.

Today, the stock yields around 3.6% per year. But if the company keeps growing its dividend, that's the lowest percentage you'll make on your investment if you buy the stock today.

Not only that, but the stock's also likely to rise in value as well. Over the previous five years, from 2014 through to the end of 2019, shares of Fortis rose by 38% — well above the 18% jump that the **TSX** made during that time.

Whether you're a long-term investor or just love dividends, Fortis can be a great stock to add to your portfolio that you can keep there for years and years.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Investing

Date
2025/08/24
Date Created
2020/05/17
Author
djagielski

Footer Tagline

Footer Tagline