



## After CRA CERB: How to Make Your Passive Income Permanent

### Description

In response to the COVID-19 pandemic and the subsequent lockdowns, the Canadian federal government introduced radical new programs. One of those programs was the Canada Emergency Response Benefit (CERB). Canadians have been able to apply for the CERB through the Canada Revenue Agency (CRA). As of early May, more than eight million applicants had received their first payment. The CERB provides a taxable \$2,000/month payment that stretches for a four-month period. Today, I want to explore how Canadians can make their passive-income stream permanent.

### CRA 2020: The CERB won't last forever

Last month, I'd warned Canadians to watch out for the [expiration of CERB payments](#). For those who applied for the payment dating back to lost income in mid-March, the program will expire in July. That means that a huge portion of the eight million who have received CERB payments will see them stop within eight weeks.

Ontario premier Doug Ford has reportedly requested the state of emergency to be extended to June 30. That means that Ontario workers should not expect a return to normalcy anytime soon. Now is a good time to explore options, which will allow your passive-income stream to continue, even without the flow of CERB payments. Let's find out how we can make that happen.

### How to build a passive-income empire

Back in early February, I'd discussed how Canadians could look to [build a passive-income stream](#) for the long term. Consistent passive income is a fantastic indicator of financial health. Canadians can collect passive income through many creative means. That can be through the publication of a book, or the creation of a YouTube channel. However, in this article I want to look at more accessible and reliable means to secure passive income.

No, I'm not talking about rental income. Let's look at stocks that offer dividends with attractive yields. Not only do these stocks provide income, but these stocks also have growth potential.

## Three dividend stocks to hold in your portfolio

**TransAlta Renewables** is a Calgary-based company that develops, owns, and operates renewable power-generation facilities. Shares of TransAlta have dropped 4.7% in 2020 as of close on June 1. However, the stock is up 13% from the prior year.

The stock last paid out a monthly dividend of \$0.07833 per share. This represents a strong 6.5% yield. Moreover, TransAlta boasts a fantastic balance sheet and its shares last had a favourable price-to-book value of 1.7. Renewable power is gaining ground on a domestic and global level. TransAlta is a great stock to build long-term passive income.

**Bird Construction** is an Ontario-based company that operates as a general contractor. Its stock has increased 16% month over month. Construction has been labelled as an essential service in Ontario and across Canada, making it a stable choice in this pandemic.

The stock last paid out a monthly distribution of \$0.0325 per share, representing a tasty 6.7% yield. Better yet, Bird Construction stock possesses a price-to-earnings ratio of 14. This is nice value relative to industry peers.

**Canadian Imperial Bank of Commerce** is one of the best bank stocks on the TSX when it comes to gobbling up income. CIBC stock has climbed 12% over the past month. It passed through a rough second quarter, but CIBC maintained its quarterly dividend payout of \$1.46 per share. This represents an attractive 6.4% yield. Like its Big Six peers, CIBC has a flawless balance sheet, and it's a very reliable dividend payer.

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