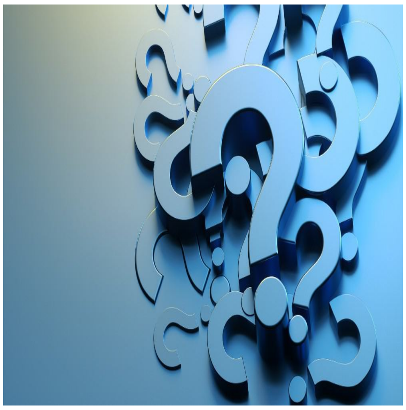

Canada Revenue Agency: Are You Eligible for the $500/Week CERB Payment?

Description

The COVID-19 pandemic continues to weigh heavily on the global populace. As businesses are shut, unemployment rates have spiked higher. According to a *Financial Post* report, Canada's unemployment rate might touch 16% in May on the back of an 8.2% GDP decline in the first quarter of 2020.

In order to help people who have experienced a job loss, the Government of Canada announced the CERB (Canada Emergency Response Benefit). The CERB provides financial assistance of $500/week to affected Canadians. This is a taxable benefit and you need to confirm your eligibility before applying for the CERB.

If you receive the CERB and are not eligible for the payment, the Canada Revenue Agency will contact you and make arrangements to repay the applicable amount.

Who is eligible for the CERB?

The CERB aims to provide financial support to any individual impacted by the COVID-19 pandemic. This payment is set aside for Canadians who have lost their jobs due to the pandemic. However, if you have quit your job voluntarily, you are ineligible.

Individuals applying for the CERB should have earned a minimum of $5,000 in the last 12 months via employment, self-employment, or provincial benefit payments related to parental leaves.

You are also eligible if your work hours have been reduced, resulting in lower pay. Canadians who are taking care of someone affected by the COVID-19 and can't work can apply for the CERB as well.

You need to ensure a second stream of income

The CERB is beneficial during these uncertain times. However, you just cannot depend on it to lead a comfortable life. You need to have an alternative source of income to support these government benefits. Depending only on the CERB can quite stressful, as it is a short-term benefit and might expire as early as July for certain individuals.

Once the pandemic is over and normalcy returns, Canadians should focus on creating a recurring income stream. One way is by investing in top-quality, dividend-paying stocks such as **Northwest Healthcare** (TSX:NWH.UN).

This healthcare REIT (real estate investment trust) stock is currently trading at $10.6. The stock has lost over 20% in market value in the last three months. The recent pullback has meant Northwest Healthcare has a forward yield of 7.6%. This means if you invest $5,000 in Northwest stock, annual dividend payments will amount to $375.

It might not be a large sum right now, but investing is a long-term play. You can reinvest dividends to benefit from the power of compounding. Further, the COVID-19 pandemic is likely to be a near-term headwind. This means once the market recovers, investors can profit from capital gains, too.

Northwest Healthcare stock has already gained close to 70% since March 23 and might move higher if market momentum continues. In its most recent quarter, Northwest reported revenue of $96 million, up 3.8% year over year. As it is a healthcare-focused company, Northwest is largely non-cyclical. Its portfolio occupancy rose 50 basis points to 97.3% and the weighted average lease expiry increased 1.4 years to 14.4 years in Q1.

Foolish takeaway

The Government of Canada has tried to infuse capital into the economy and helped millions of Canadians via the CERB and other benefits. However, individuals should also take responsibility for securing their future. You can start investing small sums in quality companies. A disciplined investing approach will help create massive wealth over the long term.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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