



## CRA Warning: We're Taking Back Your Benefits

### Description

The numbers just keep climbing. Since the COVID-19 pandemic hit Canada, millions of Canadians have been either let go from their jobs, or at the very least are seeing a reduction in income. During an already impossible time, Canadians now have to face a reality where they might lose their jobs in the near future as the virus continues its path. The Canada Revenue Agency (CRA) has given us a few helping hands, however.

There is of course the deadline that was extended to June 1, 2020 for the 2019 tax year. Canadians also have until September 1, 2020 to pay any balance owing on their tax return, which should help those who need just a bit more time than usual to collect the funds. Then, of course, there is the CRA's Canada Emergency Response Benefit (CERB).

If you're unfamiliar with the rules, the CERB gives those eligible \$500 per week for up to 16 weeks. That's a total of \$8,000 from the CRA at a time when really everybody could use it. There are a few ways [to be eligible](#), such as showing you either do not have employment insurance (EI), have lost a job and are waiting for EI, are self-employed but no longer working.

### CRA will take it back

There are a few other ways you could be eligible, but it really comes down to this: If you quit your job, earned less than \$5,000 last year, or made more than \$1,000 in the two weeks before the next eligibility period, you can't apply.

Right now, the CRA is being strapped by the CERB. As of writing, there are 8.33 million applicants with 15.17 applications processed. That's a total of \$42.59 billion sent across the country so far.

That money doesn't just come out of nowhere, however. Canadians will eventually have to pay down this huge debt — and that comes down to taxes. We should all expect our taxes to soar in the coming years once this is all done, but by how much comes down to you. The CRA warns that if you apply and you don't really need it, there *will* be consequences.

## Such as?

While a fine or penalty hasn't been announced at this time, the CRA *will* take back those benefits if you crossed the line. If you say that you thought you'd be fired, but then your boss changed their mind and you didn't report it, CRA will find out.

Any employment income will come up on either your tax return, or your employers. You can't simply hide out and collect cheques.

When the CRA does find out, it could be a year or even more from now. Sure, that's a long ways away now, but it's going to hurt quite a lot when you have to pay back \$8,000 on top of any tax return for next year. That's right, if you aren't eligible and collect these benefits, expect to pay back every single cent.

As I mentioned, while there aren't any penalties announced now, that doesn't mean things will change. Canada is quickly headed toward the \$50 billion mark for these benefits — a *huge* amount to be giving to citizens. Any deterrence to make people think twice about applying is thus beneficial, not just for the government, but also for tax payers as well.

## Bottom line

Find another revenue stream. Dividend stocks are a great option, and one to consider for monthly income would be **Pembina Pipeline Corp.** ([TSX:PPL](#))([NYSE:PBA](#)). Pembina offers a 7.33% dividend yield as of writing, secured by long-term contracts to bring in cash for decades to come. On top of that, it has \$5.6 billion in secured growth projects for the next couple of years.

While this alone should see its share price soar, it also means that investors can expect to see the dividend to continue increasing.

A simple \$5,000 investment into Pembina would bring in about \$30 per month in dividend income. While that's nowhere near \$2,000, it's not limited to 16 weeks. And better still, you'll see this cash [keep coming in](#) long after the CRA's CERB is gone.

## CATEGORY

1. Coronavirus
2. Investing

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1. NYSE:PBA (Pembina Pipeline Corporation)
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