



## Here's Why the Canada Revenue Agency Can Revoke Your CERB Payments

### Description

It's been over two months since the Canada Revenue Emergency Benefit (CERB) was rolled out. This financial benefit aims to help millions of Canadians who have been impacted by COVID-19. The Canada Revenue Agency pays eligible Canadians \$500 every week for a period of up to 16 weeks, as part of the CERB.

The unemployment rate in Canada has spiked drastically due to countrywide lockdowns. As consumer spending has plunged, businesses are grappling with lower sales and falling profits. Canada's unemployment rose from 5.6% in February to 7.8% in March, 13% in April, and 13.7% [in May](#).

We can see how the CERB has been beneficial to millions of Canadians impacted by job losses. The Government of Canada and the Canada Revenue Agency prioritized CERB payments, and they did not err on the side of caution. Applications were pushed through the system as soon as possible, and this led to some people getting the CERB, despite being ineligible for the payout.

### When will the Canada Revenue Agency revoke the CERB?

According to the Canada Revenue Agency, you are ineligible for the CERB if you have voluntarily quit your job. Further, if you refuse to go back to work and continue to collect these payouts, the CRA might withdraw CERB payments.

In order to be eligible, you also need to have earned an income of at least \$5,000 in 2019 or in the 12 months before you applied for the benefit. If you [continue to earn](#) over \$1,000 per month after applying for the CERB, you are ineligible for the payout.

### Put your CERB payments to work

The CERB is a taxable benefit and will be subject to CRA taxes in the next year. If you are fortunate enough to have enough savings to tide you over for the next few months, you can put the CERB payments to use and invest in dividend-paying stocks.

One such stock for your portfolio is **TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)). This pipeline heavyweight has an enviable history of increasing dividend payments. It has increased dividends by 7% annually in the last 20 years, and its payout remains safe in an uncertain and volatile market.

TC Energy stock is trading at a price of \$63.19, which is 17.5% below its 52-week high. This indicates a forward yield of 5.1%. While the company's dividends stand at \$3.24 per share, its earnings are forecast at \$4.06 in 2020, which means TC's payout is sustainable. TC Energy expects to increase dividends by 8-10% in 2021 and at an annual rate of between 5% and 7% post-2021.

TC Energy is well diversified and plans to invest \$40 billion in expansion projects that are expected to be completed by 2023. During its recent earnings call, company management claimed it has secured funding for these projects.

If you invest your total CERB payments of \$8,000 in TC Energy stock, you can generate over \$400 in annual dividends. The recent pullback provides investors with an opportunity to benefit from capital gains too. In the last five years, TC Energy stock is up over 22%.

## CATEGORY

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## TICKERS GLOBAL

1. NYSE:TRP (Tc Energy)
2. TSX:TRP (TC Energy Corporation)

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