



CRA CERB Final Stage: Your \$2,000 Is Almost Out of Time

Description

The Canada Revenue Agency (CRA) has been paying out the Canada Emergency Response Benefit (CERB) for almost three months now. Since March 2020, the volume of applications is unprecedented. The CRA has already gone over the \$35 billion budget, and about 8.25 million people received the temporary financial support.

The fourth cycle has begun on June 7, 2020, and three more periods are left. While millions of Canadians got their CERB, many have yet to apply. If you haven't applied, the [final stage](#) is nearing. You're almost out of time to receive the \$2,000 monthly.

CERB refresher

The design and purpose of CERB are simple. It is a \$2,000-a-month emergency money for newly unemployed Canadians due to the COVID-19 pandemic. The payments are for four months or up to 16 weeks. You will receive \$500 weekly within the period.

After four cycles, there is still plenty of confusion about CERB. The coverage of the taxable financial aid is broad. You can qualify if you're an employee (full time or part), self-employed, or a contract and seasonal worker. The premise is that you lost your job, income or is working fewer hours because of the health crisis.

However, there are other stipulations. You're not eligible if you voluntarily quit your job or job hunting that is not coronavirus related.

CERB stipulations

One reason for the creation of CERB is to unburden the Employment Insurance (EI) system. Thus, you can't get both CERB and EI at the same time. If you've applied for EI, you will receive the regular payments. You have the option to apply for CERB if you consume EI benefits before October 3, 2020.

Also, double-dipping is not allowed. You can't be receiving CERB and a salary together. If the CRA discovers the mistake, the tax agency will eventually demand the return of the CERB payments.

CERB utilization

You are fortunate to receive CERB if you're eligible but not hard up financially. There are several ways you can use the CRA money. Other recipients are paying down debts, while some are not spending it all and leaving 20% for [tax payment](#). The resourceful ones will use the CERB as seed capital for investment.

The better part of investing is that the earnings can be permanent. You can purchase shares of a bank like **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) and receive passive income perpetually. The second-largest bank in Canada can turn your measly \$8,000 into retirement wealth down the road.

TD is paying a 4.86% dividend. At the same yield, your money would more than double in 15 years. Your passive income for life is \$388.80. Now is the perfect time to own TD shares. The stock is trading at a discount (less than \$70 per share).

Net income fell by 52% in Q2 fiscal 2020, although not alarming because TD set aside nearly \$2.3 billion as provision for credit losses (PCL). You can expect this \$117.24 billion bank to overcome the challenges ahead. TD is a stock for good and bad times.

Determine your eligibility

Before applying for CERB, make sure your circumstances make you 100% eligible. Act fast or you might miss receiving the much-needed funds.

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