



CRA: What Happens When the CERB Ends?

Description

The Canada Emergency Response Benefit (CERB) has been a crucial policy by the federal government and CRA to get money in the hands of Canadians rapidly during an unprecedented pandemic in modern history.

The government had to act quickly and decisively when it was clear coronavirus was spreading throughout the country. Unfortunately, the resulting actions taken to save lives cost numerous people their jobs.

However, once again, the government enacted the CERB rapidly to add fiscal stimulus alongside the monetary stimulus we were getting and help ease the blow to the economy.

So far, the CERB has been largely successful. The program has helped Canadians to stay on their feet and provide a significant margin of safety to help deal with the tough economic times. It's been especially crucial for those who have lost a significant portion of their income.

However, as we are now into the third month of CERB, it's paramount Canadians start to consider what they will do when the program ends.

The CERB

Most people know how the CERB works by now, and if not, here's a [great article](#) explaining it.

What's most important to know today is that the CERB will end in October. However, each person is only eligible for 16 weeks or four, four-week periods.

So, for those Canadians who applied in April and began receiving payments, it's crucial to remember you have less than two months remaining till you're on your own.

There are other options once CERB ends if you are still out of work. For example, one option would be to consider going onto EI if you are still unemployed.

It's also possible that the Canadian Government could end up stepping in and doing something else like [extending](#) the CERB, but that's just speculation, and I certainly wouldn't bank on that happening.

So, Canadians should have another plan to help supplement their CERB income.

High-quality TSX dividend stock to supplement CERB

While you can, and while dividend stocks are still cheap, I'd look to buy top **TSX** dividend stocks to help supplement your CERB.

When considering a TSX dividend stock that pays an attractive dividend yield, it's also important to make sure that the dividend will remain stable.

One of the most reliable dividend stocks for Canadians to buy today is **Telus** ([TSX:T](#))([NYSE:TU](#)).

Telecommunications is a highly defensive industry and a staple in our economy. So, all the big telecom stocks are naturally high-quality companies you can rely on. Because they are so reliable, this makes them the perfect stocks to supplement your CERB with.

Telus, specifically, is one of the best, and it's clear from its first-quarter results how strong the stock is. However, during the earnings report in May, management withdrew its 2020 guidance.

This is likely because management saw the economic situation getting worse before it got better. So, it's probable that management wanted to take the prudent action and withdraw guidance.

However, it's worth noting that Telus could still hit some of the targets it set ahead of 2020. This would be as a result of a lower impact to its business or duration of the impact on its business as well as cost savings it can realize by deferring non-essential expenses.

It's also worth noting that management has deferred dividend increases. While this is not ideal, deferring a dividend increase is a much better situation than having to trim or suspend the dividend altogether.

Plus, that dividend still yields more than 5%, a great return to help supplement the CERB. It's also an attractive return when you consider Telus's long-term growth potential.

Bottom line

While the government should be applauded for the CERB program and getting money into the hands of Canadians rapidly, they can't protect us forever.

So, it's time to start planning what to do after the CERB ends and how you will continue to receive a reliable passive-income stream.

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