



## The CRA Deserves a Round of Applause for These 2 Crisis Payouts

### Description

If there is a cash cow in 2020, the Canada Revenue Agency (CRA) is the biggest of them all. The main task of the tax agency is to disburse [emergency money](#) as quickly as possible to businesses and individuals affected by the pandemic.

To workers and students, the CRA deserves praise and a round of applause for administering two of the pillars in Canada's response to the COVID-19 outbreak. The [duty is heroic](#) in every sense because the processing and release of the crisis payouts are without delay.

### CERB for workers

The federal government has a \$35 billion budget for the Canada Emergency Response Benefit (CERB). In almost three months, the CRA has paid out \$41 billion, or \$6 billion more than the allocation. The tax agency treats CERB as a taxable income.

Employees (full-time and part-time), workers (contract and seasonal), and self-employed individuals are receiving \$500 weekly for up to 16 weeks. The total CERB will amount to \$8,000. If your circumstances remain the same after the period, meaning jobless or working fewer hours, you can re-apply for another round of 16 weeks.

### CESB for students

Canadian students and recent graduates are not without financial relief during the health crisis. The Canada Emergency Student Benefit (CESB) is the monetary assistance exclusive to eligible students. The program runs from May to August 2020.

The government is also spending billions on CESB. For the program's duration, the benefit is \$1,250 per four weeks to eligible students or \$2,000 if you have a disability or dependent. Post-secondary students and graduating high school students who do not for CERB or Employment Insurance (EI) can apply.

## Investible fund

If you add the maximum CERB and CESB, the total CRA payment is \$16,000. The sum is more than the basic personal amount (BPA) of \$12,298 in 2020. Assuming you have \$16,000 in free cash, you can invest in dividend stocks that can deliver permanent income. Both the CERB and CESB are money for the meantime.

**Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) is a dream investment. This 203-year old financial institution is also the fourth-largest bank in Canada. Furthermore, the company was the first to pay dividends. In nine more years, BMO's dividend track record will be two centuries old.

The current share price of this \$49 billion bank is \$76.71, which is 21.7% cheaper than its 2019 year-end price. You'll be buying the blue-chip stock at a reasonably good price. In exchange, you partake of the 5.67% dividend. Your \$16,000 will be worth \$48,211.89 in 20 years if you plan to hold it for the long haul.

Historically, the total return of BMO in the past two decades is 445.58%. Be like the retirees whose core holding is this bank stock, whose income stream is permanent.

## A 2020 hero

The CRA is the hero of workers and students in this most challenging time. CERB and CESB applications are in the millions. The tax agency is doing its best to process and deliver the emergency payouts in the shortest possible turnaround time.

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2. Dividend Stocks
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