



CERB Warning: DON'T Reapply This Month

Description

You're probably more than aware right now of the Canada Emergency Response Benefit (CERB). The benefit offers Canadians who are eligible up to \$500 per week for a maximum of 16 weeks. That's \$2,000 a month for anyone who is able to apply.

As of writing, the total number of Canadians receiving [this benefit](#) is 8.41 million. However, the total applications received is almost double that.

The third eligibility phase is now underway as of May 11, which means even more Canadians are flooding to apply for the CERB. But before you become one of them, here are a few things to consider.

Tax man cometh

The first thing you need to know about the CERB is that it's taxable. When you apply, you should be fully aware of the estimated amount of tax you will be liable for by the end of the year. That means all 2020 income will be taken into consideration, along with the CERB.

What can help, of course, is repaying the CERB. The Canada Revenue Agency (CRA) is asking any recipients to repay the benefit by December 31, 2020. If they're not able to pay that amount and are likely going to be asked to in the future, they should contact the CRA before the December 31 deadline to create a schedule of payment.

Jobs

The main reason you would be applying for the CERB is likely because something happened to your job. Either you were laid off, your business closed, your self-employment business slowed down, or a bunch of other reasons that all require you to apply for CERB.

Yet depending how you look at it, there *is* good news ahead. Canada recently added 289,600 jobs in May. This was likely helped by the Canada Emergency Wage Subsidy (CEWS) program to get

businesses up and running again. This meant that employees who had to lay off workers or put them on furlough can now bring them back onto the payroll.

So it might be a good time to contact your employer and see if there's a possibility of you going back to work. If so, you probably don't want to apply for the CERB. Otherwise you could be spending money that you will just end up having to repay.

Still need income?

There are a lot of great options if you think that you won't meet the eligibility requirements for the CERB. The most stable option is dividends. Dividends allow you to bring in passive income each and every quarter or sometimes every month for as long as you hold the stock.

If this is something that interests you, I would highly [recommend buying Pembina Pipeline Ltd. \(TSX:PPL\)\(NYSE:PBA\)](#).

Pembina offers monthly dividends for shareholders, and right now the stock is still undervalued. That's because it belongs to the energy industry, even though it's providing the solution to the current oil and gas glut.

The company has \$5.6 billion set aside for secured growth projects over the next few years. Once complete, shares should skyrocket, which has made analysts quite bullish about the stock.

Analysts are also bullish about the short-term growth of energy companies in general. If there is a vaccine for COVID-19, and if production continues to increase, companies like Pembina should see a huge jump in share price.

Meanwhile, investors can take advantage of the company's 6.61% dividend yield. That dividend will continue to be paid out long after CERB has come to an end.

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