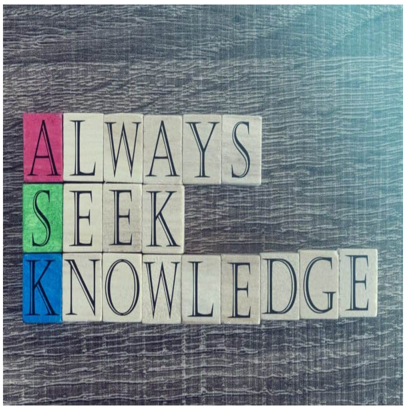

2 CRA COVID-19 Updates You've Gotta Know!

Description

COVID-19 has been hard on everyone. A significant number of people around the globe have been affected by the pandemic, albeit in different ways. Some have been the victims of the virus, while others have had their lives and livelihoods disrupted by the pandemic. Governments all over the world took initiatives, provided relief packages/compensations, and tried to keep their people and economies functioning during these hard times.

In Canada, the government body CRA tried to alleviate some of the people's problems. And the first step the department took in that direction was to delay the tax filing and submission. It allowed Canadians, especially those who lost jobs, businesses, or had to settle for low income because of the pandemic, room to gather their resources. But there are two other CRA updates that you need to know about.

Bill C-17: CERB and CEWS changes

Bill C-17 proposes that changes be made with CERB and CEWS, two of the major programs that CRA is running to provide relief to Canadians. The CERB changes it proposes are basically tied to the reopening of the country and resuming the normal employment activities whenever possible.

It basically says that if employees are required to work and called upon by employers under reasonable and safe circumstances and they refuse, they won't be eligible for CERB payment. It extends to self-employed individuals and new job offerings as well. So, people must resume work instead of relying on CERB payments whenever it's reasonable and safe to do so.

The changes it proposes to CEWS are encouraging. The CEWS will be extended till August, and several businesses that previously couldn't apply for CEWS help will be able to if the bill is approved.

CERB penalties

The bill also highlights the circumstances in which the CERB payment receivers will be considered ineligible and penalized. It might be problematic for many people who didn't (either knowingly or unknowingly) navigate the grey areas around CERB payments the right way.

While this is intended to punish people who abuse the system, it should also be considered a wake-up call for other people, reminding them that they should have a substantial amount tucked away to deal with economic crises. It can be in their TFSA or RRSP. One of the relatively safer growth stocks you may consider for your TFSA nest egg is **goeasy** (TSX:GSY).

It's an alternative financial company from Mississauga, which recently joined the ranks of Dividend Aristocrats. And even though its dividend growth is monstrous (260% in the past five years), its capital growth is what may help you weave your safety net. Its growth has been relatively consistent in the past decade, with the CAGR equating to about 24.3%.

Investors usually like to diversify, so let's assign it only half of a year's TFSA contributions: $3,000. If it keeps growing 24.3% year over year, the $3,000-a-year investment in goeasy can help you accumulate over $350,000 in about 15 years. That's equal to 175 monthly CERB payments, and the best part is, unlike CERB, it will be completely tax-free. And you won't have to worry about whether or not you qualify since it will be your own money.

Foolish takeaway

In times of these economic downturns, it's only natural that people look towards the government, but remember that there is only so much the government and CRA can do for you. Instead, if you start managing your money efficiently, exercise financial discipline, save, and invest, you can (hopefully) have enough reserves to see you through tough times. If you do it efficiently, you can minimize your tax obligation as well.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

TICKERS GLOBAL

1. TSX:GSY (goeasy Ltd.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks
3. Investing

Date
2025/07/22
Date Created
2020/06/16
Author
adamothman