



CERB Users: 1 Huge Change Coming This Week!

Description

Earlier this month, I'd discussed the [changing attitude](#) from the federal government regarding the Canada Emergency Response Benefit (CERB) program. The government had taken a lenient approach with applicants in order to provide quick financial relief. However, recent reports suggest that officials are looking to clamp down on Canadians who may have submitted inaccurate or even fraudulent applications. The penalties for these infractions could cost more than triple the amount of the payments themselves, and, in severe cases, even include jail time.

Meanwhile, the government is also exploring how to manage CERB payments in this ailing economy. This means CERB users should expect big changes in 2020 and perhaps beyond.

Why CERB payments have been crucial in Canada

Canada's unemployment rate ballooned to the mid-teens by early May. The country added 290,000 jobs in May, but the unemployment rate still stood at 13.7%. This was the highest ever since comparable data became available in 1976. Canadian provinces are beginning to reopen, but there is no guarantee that we will see a quick rebound in the jobs market. On the contrary, a report by *Forbes* on jobs losses in the United States suggested that roughly 40% of job losses could be permanent.

This environment has increased the financial strain on millions of Canadians. CERB payments have been crucial in maintaining livelihoods across the country. As of early May, more than eight million Canadians had received the \$2,000/month payment. The program was originally set to span for a maximum of four months. However, change is reportedly coming.

Big news: Trudeau's government announces an extension

On Monday, Prime Minister Justin Trudeau announced that the government would extend CERB income support. More details are expected on the extension "in the coming days," Trudeau said in a press conference. Naturally, there is a political angle at work here. New Democrat Party (NDP) leader Jagmeet Singh said he would not support a confidence vote on Wednesday without an extension. The

Liberal government is reliant on NDP support after losing its majority in the House of Commons this past election.

This announcement is big news for CERB users. An extension to the original 16-week maximum will push March users into August and perhaps beyond. Still, those who are utilizing CERB payments may want to consider exploring a more permanent passive-income stream.

CERB users: Don't forget to explore alternatives

Last week, I'd discussed how CERB users may want to [invest their \\$500/week payments](#). Indeed, this program could open the door to constructing a passive-income stream through a registered account. Below are two stocks that are perfect for paying out consistent income going forward. Better yet, CERB users should stash these dividend stocks in a TSFA. Unlike the CERB, income derived from the TFSA will not be taxable.

Hydro One is a utility that boasts a monopoly in the province of Ontario. Shares of Hydro One have climbed 4% in 2020 as of close on June 15. The stock currently offers a quarterly dividend of \$0.2415 per share, representing a 3.9% yield.

Canadian Western Bank is a regional bank stock I'm still bullish on in the middle of June. Its stock has climbed 27% over the past month, but it is still down 21% so far this year. The bank last increased its quarterly dividend to \$0.29 per share. This represents a solid 4.7% yield.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

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

2025/07/06

Date Created

2020/06/16

Author

aocallaghan

default watermark

default watermark