



Hooray! CRA's CERB Will Be Extended — But There Will Be Changes

Description

COVID-19 threw a lot of people off track. Fortunately, through the Canada Emergency Response Benefit (CERB), the Canada Revenue Agency (CRA) is handing out \$2,000 per month for Canadians who couldn't work because of the pandemic.

The first Canadians who applied to CERB will get their last payment in July, as the original program lasts 16 weeks.

July is fast approaching. Thankfully, Prime Minister Justin Trudeau reassured that there will be an extension to the emergency benefit.

However, as the COVID-19 situation has developed, such as parts of the economy reopening, there will be changes to the extended CERB program. As Treasury Board president Jean-Yves Duclos put it, there will be “new parametres.” The details will be announced as soon as [this week](#).

While there's uncertainty surrounding COVID-19 and the new CERB, investors can increase the certainty of their income.

Increase your income immediately

You can increase the certainty of your income by generating a portion of it via secure passive income.

If you've been working for some time, you probably got some serious money saved. If so, you can immediately increase your income by investing in quality dividend stocks.

The top sector to get dividend income is utilities. Of the top five TSX stocks with the longest streaks of dividend increases, three are utilities: **Canadian Utilities** ([TSX:CU](#)), **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), and **ATCO** ([TSX:ACO.X](#)). They offer yields of roughly 5.4%, 3.7%, and 4.6%, respectively, and have increased dividends for 48, 46, and 26 consecutive years.

Notably, ATCO owns a big piece of Canadian Utilities. That's why its stock price action is similar.

Although utilities are generally great for income, investors still need to be selective. The stocks of ATCO and Canadian Utilities have been going sideways since late 2012. In contrast, Fortis has been in a long-term upward trend.

Therefore, Fortis stock would be my top choice of the three, and it's a reasonable buy here for a starter position. Interested investors should really back up the truck whenever it yields 4% or greater.

My favourite utility stock

Savings are limited. Therefore, in the recent market selloff, I selectively allocated most of my capital to one utility — **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#))([NYSE:BIP](#)). The stock has increased dividends for 12 consecutive years. That is every year since **Brookfield Asset Management** spun it off.

Recently, the corporation version of it became available under the "BIPC" ticker on the **TSX** and **NYSE** for investors who prefer to receive dividends instead of cash distributions.

The tax reporting will be simpler for BIPC holders. That said, it wouldn't matter if you hold BIP/BIPC shares in a tax-advantaged account like an TFSA, RRSP/RRIF, RESP, or RDSP.

More importantly, BIPC trades at a premium of 16% to BIP. So, BIPC yields only about 4.1% compared to BIP's yield of 4.7%.

If you want greater income, you should consider BIP shares in tax-advantaged accounts.

Brookfield Infrastructure adds excellent diversification to any dividend portfolio with its globally diversified operations, including utility, transport, energy, and data infrastructure assets.

Other than generating substantial cash flows from its businesses, Brookfield Infrastructure also has an active capital-recycling program to enhance shareholder returns.

As a result, much like Fortis, Brookfield Infrastructure stock has been in a long-term upward trend.

The Foolish takeaway

If you're receiving the CERB right now and you're still unemployed, you can feel more at ease knowing that the benefit program will be extended.

Don't wait; if you've got tonnes of cash sitting on the sidelines. Consider deploying some of your savings in quality dividend stocks, such as utilities. However, aim not to overpay for the shares. This way, you can boost your income immediately and simultaneously protect your capital and augment your returns.

If you choose [the right stocks](#), you will permanently increase your income! Moreover, you'll enjoy *growing income* from your carefully built passive-dividend income stream.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. NYSE:FTS (Fortis Inc.)
3. TSX:ACO.X (ATCO Ltd.)
4. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
5. TSX:CU (Canadian Utilities Limited)
6. TSX:FTS (Fortis Inc.)

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