



CERB Extension: 2 More Months of CRA Payments Are Coming, But What About After?

Description

Eligible Canadians wanted a Canada Emergency Response Benefit (CERB) extension, and it looks like they'll be getting it, with PM Justin Trudeau promising an additional two months' worth of \$2,000/month payments.

The Canada Revenue Agency (CRA) benefit has been a lifeline for many affected Canadians amid the coronavirus crisis. With many still unsure as to when they'll be given a "reasonable" opportunity to return to work, now would be a great time to turn one's Tax-Free Savings Account (TFSA) into a tax-free income stream that, unlike the CRA benefits like the CERB, will be indefinite, untaxable, and will provide a bit more certainty in these most uncertain times.

Consider looking to low-beta, high-yield stocks to supplement your CERB extension payments

Nobody wants to erode the entirety of their savings once CERB expires after this latest extension. So, if you find your TFSA proceeds are sitting around in low-interest savings accounts or no-yield growth stocks, consider rotating your funds (at least temporarily) towards lofty income-paying securities such as **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), which currently sports a [bountiful](#) near-6% dividend yield that's well covered and is in a position to grow, regardless of how long this pandemic lasts.

BCE is lacking in promising growth prospects and is a behemoth that leaves a lot to be desired on the growth front. But what it lacks in growth potential, it makes up for in the size and safety of its dividend.

At a time like this, where monthly income and liquidity are in high demand, it makes a tonne of sense to finance your own income stream with a less-volatile stock like BCE with any of your TFSA savings or leftovers CRA benefit payments.

BCE: Highly liquid and likely to make it through this pandemic

with minimal damage

While the first quarter showed signs of impact from the coronavirus, the telecom titan's longer-term outlook remains ultimately unchanged and its large dividend, secure. The company has an impressive \$3.2 billion in liquidity and will be going full speed ahead with new telecom tech (5G) rollout, as it looks to gain the upper hand on its lower-yielding peers in the Big Three.

Although BCE has its fair share of debt (\$29.7 billion in total debt as of the first quarter), a majority of the debt is long term in nature, and given the stable nature of the firm's operating cash flows, the company's high debt load is unlikely to get in its way amid this pandemic. The company sports a decent 0.9 current ratio and speaks to the firm's impressive liquidity position in this time of crisis.

Finally, BCE stock sports a mere 0.38 beta, which means shares of the telecom kingpin are prone to fewer wild swings relative to the broader **TSX Index**. Given off-the-charts volatility is likely to prevail until this pandemic is over, BCE is a worthy low-beta bet for those seeking to provide themselves with an income raise in these unprecedented times.

Foolish takeaway

If you're feeling the financial pressure from the coronavirus pandemic, you can spend your savings, running the risk of running out of cash, or you can create your own tax-free income stream that can help you get through these tough times as you await the [CERB extension](#) to get finalized. Although another two months' worth of CERB is something to celebrate, those with the savings should seek to create a TFSA income stream that can outlast the CRA payment that will inevitably end.

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