



CERB Penalty: You Might Get Hit With a Fine or Jail Time!

Description

The Canadian government and the Canada Revenue Agency (CRA) began paying citizens \$2,000 per month from the Canada Emergency Response Benefit (CERB) as a measure to help them cope with the loss of income due to the pandemic.

To rapidly roll out the payments, the CRA relaxed its stringency in checking for eligibility. The government and CRA's priority was to ensure that the most vulnerable citizens received these benefits as soon as possible. The government took to trusting everybody and assumed that nobody would break the rules.

It is not surprising that we are learning about many cases where Canadians who do not qualify for the benefits are busy collecting money from the program.

Ineligible collectors

One of the most significant concerns for Canadian taxpayers is an alarming number of ineligible people collecting CERB money. Many people who collected CERB without qualifying for it have started to admit to wrongdoing.

The CRA reported that more than 190,000 Canadians who collected CERB money through fraudulent claims have paid back at least some of the amount.

Most Canadians know someone who is committing CERB fraud. With measures being taken to rectify the issue, CERB fraud might result in punishment befitting the crime.

CERB fraud fine and imprisonment

The government made it clear that people abusing the CERB program will face the consequences of their actions. [Paying back the falsely claimed CERB money](#) was always going to be a part of it. However, the consequences will not end there for unjustly collecting the benefit.

According to reports, the ruling party in Canada prepared a bill that will result in harsh punishment for people collecting the CERB money without qualifying for it.

Canadians who make fraudulent claims can face fines of up to \$5,000 — a penalty that equals double their ill-received funds, and jail time of up to six months.

As you can see, the government is taking this quite seriously. Some Canadians refuse to go back to work so they can continue to qualify for CERB money. The government will also take action against people who refuse to return to work when their employers ask them to come back.

The CERB was meant to be nothing more than a temporary measure to aid citizens who lost their jobs until they could begin making money again. The benefit is *not* a payment for people to comply with social distancing measures and staying home.

As apt as the proposed bill may seem to many, it is currently still in the works. Other parties within the House of Commons are not in support of this bill because of their opinion about jail time being too harsh. There is a possibility the bill may pass, or it may sink. However, there is no need to consider risking the possibility of punishment.

Create another means of income

Instead of trying to deceive the government when it is trying to help its most at-risk citizens, it would be better to create an alternative source of income to help them through this time. Creating your revenue stream of passive income is possible if you make the right investments.

One of the best ways is to create a Tax-Free Saving Account (TFSA) portfolio that consists of dividend-paying stocks like **Fortis Inc.** ([TSX:FTS](#))([NYSE:FTS](#)). This is a defensive dividend stock that can pay you income without letting financial crises disrupt its cash flow.

Fortis is a regulated utility provider that continues to generate revenue due to the essential nature of its operations. The company enjoys substantial insulation compared to the broader market because it can make an income in even the most uncertain periods for the economy. No matter how bad things become, people will still need their electricity.

Fortis provides electrical transmission to customers across the country, and most of its income is regulated.

Foolish takeaway

Holding [dividend-paying assets in your TFSA](#) can help you earn tax-free passive income. Creating a robust and diversified portfolio can substantially increase the overall income you can make.

Fortis can be the perfect stock to begin building a dividend-income portfolio in your TFSA.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Investing

Date

2025/09/17

Date Created

2020/06/18

Author

adamothonman

default watermark

default watermark