



## Canada Revenue Agency CERB Update: 8 More Weeks!

### Description

The Canada Emergency Relief Benefit (CERB) payments have been nothing short of a lifeline for Canadians who are suffering from a loss of income due to the pandemic-induced lockdown. This emergency fund, set up by the Canadian government and distributed by the Canada Revenue Agency (CRA), is helping millions take care of basic necessities.

With no visible end to the pandemic, millions are still without jobs, and CERB was introduced with an [expiry date](#) of the first week of July for many Canadians, as the 16-week period comes to an end.

Thankfully, Prime Minister Justin Trudeau has reassured the people that they do not need to panic. There will be an extension of the emergency benefit.

### Extension to emergency benefit

Provinces and territories across the country are gradually beginning to [reopen their economies](#). However, some are moving forward with reopening slower than others. Canadian Prime Minister Justin Trudeau announced on June 16, 2020, that the government's financial support will be extended for eight weeks to those who still cannot work.

CERB has provided taxable payments of \$2,000 per month for up to four months to Canadians who lost income due to the government-mandated lockdown to curb the spread of COVID-19. Despite the country's relative success in dealing with the spread, there are still more than three million people who are looking for jobs.

### Changes to the fund

As the economy opens up, the number of jobs available will increase. Until such a time, the funds will proceed for a further two months.

The government has also announced that there will be changes made to the extended CERB program.

The Treasury Board president Jean-Yves Duclos said that there will be updated parameters that have not yet been announced as of writing.

There is still plenty of uncertainty surrounding COVID-19 and the new CERB program. While the extension of the funds is undoubtedly fantastic news for many, investors should consider creating more secure means of passive income that they can rely on for guaranteed income in the long run.

## Create new income streams

If you are fortunate enough to have enough cash set aside, you can use your savings to invest in income-generating assets to guarantee income as you continue using CERB money for day-to-day expenses.

Investing in dividend stocks like **Canadian Utilities** ([TSX:CU](#)) and **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) can help you create an income stream with secure payouts. When it comes to dividend-paying stocks, utility companies are the most reliable if you want income during periods of market volatility.

Canadian Utilities is a Canadian Dividend Aristocrat that has been increasing its dividend payouts every year for 48 years. At writing, the stock is trading for \$31.77 per share and offers a dividend yield of 5.48%. Around 95% of its revenues come from regulated long-term contracts.

The utility operator has not made many efforts to grow in the sector. However, it has begun to take initiatives over the last 10 years. CU sold off its fossil fuel-based electricity generation portfolio in Q3 2019 in favour of cleaner and regulated sources of energy. The company continues to move forward with initiatives to help it drive down costs and future-proof its revenue.

Fortis has long been a favourite defensive stock for many investors. The electric company, based in Newfoundland and Labrador, serves customers across the U.S., Canada, the Caribbean, and some areas of Central America. This stock is a staple pick for reliable dividend payers due to its predictable and relatively stable revenue.

Almost all of the earnings for Fortis comes through regulated contracts. That makes it a more straightforward affair for the company to finance its dividends. At writing, Fortis is trading for \$52.01 per share, offering a juicy 3.67% dividend yield.

## Foolish takeaway

If you are receiving CERB and are still unemployed, you can feel at ease knowing that the government is extending the program. However, I would strongly advise creating a source of passive income if you have savings set aside by investing in dividend-paying stocks like Canadian Utilities and Fortis.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

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1. NYSE:FTS (Fortis Inc.)
2. TSX:CU (Canadian Utilities Limited)
3. TSX:FTS (Fortis Inc.)

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