



Did You Get Your CERB Payment This Month?

Description

Last week, Canadians rejoiced as Prime Minister [Justin Trudeau extended the Canada Emergency Response Benefit](#) (CERB) by two months to September. But this week, many Canadians did not receive their CERB payments. Instead, they received an email from Service Canada stating that their CERB payments for June 15-28, 2020, has been adjusted with the advance payment they received in early April.

The government didn't give any prior warning before stopping the payment. Hence, some Canadians were left in a fix as they depended on their CERB to pay their bills.

This entire fiasco occurred because the government launched the CERB in haste. Some people received double payments of \$2,000 each from Employee Insurance (EI) and CERB in April. Hence, their total unemployment benefit of \$8,000 was over before the end of 16 weeks.

New Democratic Party MP Daniel Blaikie stated that the government could have avoided the confusion by informing the Canadians in advance. Even if the government missed out on informing the general public, they could have postponed the CERB adjustment to the next month.

Stay well-informed about your CERB payments

Well-informed people knew that there are no free lunches from the Canadian Revenue Agency (CRA). They knew that the CRA would adjust the excess benefit payment when things stabilize and they find the loose ends. The CRA will also charge a tax on this benefit. Now that the CRA has extended the CERB for another two months, you will receive the \$2,000 monthly payment until September if you are unemployed.

You will have to repay the CERB payment in the future in some form or the other. Hence, it's a good idea to leverage the time gap and earn some extra cash from the benefits payments. You can invest 50% of your CERB payments in dividend stocks and 50 in tech stocks that are on a growth path this year.

NorthWest Healthcare Properties REIT

If you are eligible to receive CERB payments next month, invest \$1,000 in **NorthWest Healthcare Properties REIT** ([TSX:NWH.UN](#)) and earn 7.5% in annual dividend yield. You will make \$75 in one year while your \$1,000 will be safe as the stock is less volatile.

NorthWest has a portfolio of 182 properties, including medical office buildings, clinics, and hospitals in Canada, Brazil, Europe, Australia, and New Zealand. Unlike retail and office REITs, NorthWest has a defensive income portfolio, and 97.3% of this portfolio is occupied.

The REIT earns over 85% of its revenue directly or indirectly from public healthcare. It received or expected to receive 93% of its April rent and 84% of its May rent, whereas retail REITs only received 66% of their April rent.

The defensive nature of its portfolio has made NorthWest a safe investment. It can continue to pay its monthly dividends even in an economic downturn. If you are willing to take risks, software stocks are also a good option.

Technology ETF

Some software companies that support digitization and social distancing [emerged as market disruptors](#) in the COVID-19 pandemic. The **iShares S&P/TSX Capped Information Technology Index ETF** ([TSX:XIT](#)) rose 33% year-to-date and is still growing because of its exposure in software companies. The ETF was on a growth trajectory even before the pandemic. It rose by 65% last year.

By investing in this ETF, you can gain exposure to expensive stocks like **Shopify** (\$1,240) and **Constellation Software** (\$1,500) for less than \$40. The XIT has 50% of its holdings in the above two stocks and another 30% in **CGI Group** and **Open Text**.

In April, if you had invested \$4,000 of your benefit payments in the XIT ETF, you would have earned \$1,700. You would have been unaffected by the government's sudden decision to adjust the excess CERB payment.

You still have two more months of CERB payments, and the ETF is still growing. Until the CRA claws back the wrongly paid CERB payments, you can benefit from the growth trajectory of market disruptors.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
2. TSX:XIT (iShares S&P/TSX Capped Information Technology Index ETF)

PARTNER-FEEDS

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