



## The \$2,000 CERB Showcased the Best and Worst of Canadians

### Description

The Canada Revenue Agency (CRA) is starting to draw a [line between honest mistakes and intent to defraud](#) the Canada Emergency Response Benefit (CERB). Financial need is understandable, but cheating the government to receive \$2,000 monthly is unacceptable.

Unfortunately, CERB is showcasing the best and worst of Canadians. People are taking advantage of the overzealousness of the CRA to release the taxable benefit. The federal government was hoping only a small percentage of applications are bogus. However, even organized crime has joined the ranks of scammers.

### True colours

Vultures are circling the \$60 billion pandemic relief program. CERB is attracting everyone with the intent to steal, deceive, and destroy the integrity of CERB. According to Assistant Revenue Commissioner Ted Gallivan, the CRA is focusing on organized crime.

The group operates mostly in senior citizens' homes, stealing identities, and using the names to file CERB claims. There are cases of people hiding income or refusing to work to claim the payments. But there are also 190,000 cases of CERB returns and repayments by honest individuals.

### Proposed penalties

Now, the CRA is telling the Commons finance committee of the House of Commons the need for stricter measures. Bill C-17, which will impose sanctions on CERB fraudsters, is on the table. Parliament hasn't reached a unanimous consent to enforce the bill.

The penalties proposed in the draft bill are a \$5,000 fine, maximum fraud charges of \$24,000, and a six-month jail term. However, some members are opposing criminal sanctions, citing the elements presented are contained in the Criminal Code already.

The government would be losing more money, unless you arrest the problem. With the CERB's [two-month extension](#), the total amount of payment per individual has risen from \$8,000 to \$12,000. The CRA wants reinforcement mechanisms and power to run after the offenders.

## Substantial CERB

The \$12,000 CERB money is not a small amount, but substantial as seed capital for investment and income creation. Also, the total payments are double the Tax-Free Savings Account (TFSA) annual contribution limit in 2020.

When you invest within the TFSA, all earnings, interest, or gains are tax-free, unlike the taxable CERB. Some recipients are not spending the entire CERB and leaving a portion for tax payment.

Real estate investment trusts (REITs) are lucrative investments. Income investors gravitate to **NorthWest Healthcare Properties** ([TSX:NWH.UN](#)) because of its attractive dividend. The stock is trading at less than \$11 and yielding 7.58%. Your \$12,000 capital will turn in \$909.60 in passive income.

As an investor, you gain access to the NorthWest's portfolio of high-quality international healthcare real estate infrastructure. The interests of this \$1.86 billion REIT are in a diversified portfolio of income-producing properties in Canada, Australia, New Zealand, Brazil, and Europe.

Moving forward, NorthWest plans to strike direct arrangements with other private hospital operators. The goal is to expand the capacity of public hospital systems where the REIT is present.

## Authentic claimants only

Beware of identity thieves who are preying on hapless Canadians. Only authentic claimants should be receiving the all-important CERB.

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