



CRA CERB Update: 2020 Just Went From Bad to Worse

Description

Among the [various measures](#) the Canadian government took to help citizens during the COVID-19 crisis, the Canada Emergency Response Benefit (CERB) is among the most prominent talking points. The Canada Revenue Agency (CRA) is distributing CERB money to applicants who have lost their jobs.

The original program was designed to last 16 weeks. Economies across several provinces and territories have started to open up again. With many continuing to practice caution in reopening, the government decided to extend CERB to 24 weeks. However, you should not take the additional eight weeks of CERB lightheartedly.

CERB eligibility criteria

When you apply, the CRA will disburse \$500 per week for up to 24 weeks. You need to meet certain criteria to qualify for receiving CERB. The CRA is encouraging people to find work as economies reopen, but if you can't find a job, you can apply for CERB. Here are three things that can make you ineligible for receiving CERB money:

- You did not earn at least \$5,000 in the last 12 months.
- You earned more than \$1,000 in the last 14 days.
- You have been rehired under the Canada Emergency Wage Subsidy (CEWS) program.

If any of the above apply to you, you are no longer viable to collect CERB money.

CERB fraud crackdown

The CRA is aware that many ineligible people have applied for and received CERB money. The agency is not taking things lightly, and it is beginning to enforce tackling the issue. The CRA is receiving tips on people who are receiving CERB when they shouldn't. Of eight million Canadians, a substantial portion of them has to repay their CERB money.

Repayments have already started with the opening of the CERB fraud investigation. According to *CTV News*, the CRA received repayments from 190,000 people recently. It shows that a substantial portion of Canadians who received CERB without qualifying for it was not clear about the criteria and [made a mistake](#).

The draft legislation concerning CERB fraud shows penalties that range from \$5,000 fine beyond repayment of CERB money. While the proposed punishment might seem harsh, CERB has cost north of \$40 million of taxpayer money.

Stay in the clear

I would advise seeking alternative sources of income to avoid making any mistakes and incurring hefty fines from the CRA. One of the best ways to generate revenue is through a dividend-income portfolio that consists of high-quality stocks. I would suggest looking at **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) as an asset to begin building such a portfolio.

BCE is a premier telecom company in Canada that can be a long-term investment for all periods. The dominant operator provides wireless, wireline, and internet services to Canadians. It is an essential service that shall continue to operate and expand regardless of the global health crisis.

The company also launched the country's largest 5G network with 22 million connections in Calgary, Edmonton, Montreal, Vancouver, and the Greater Toronto Area. The network will expand further and bolster the telecom giant's income. It is a reliable stock that can continue to grow investor capital through appreciation and dividend income.

Foolish takeaway

I strongly urge you to reconsider collecting CERB money if you are not sure you qualify for it. The taxable benefit should be only an option if you cannot find other means of income. I think creating a passive income source through a portfolio of dividend-paying stocks can be ideal.

At writing, BCE trades for \$56.92 per share and pays its shareholders at a juicy 5.85% dividend yield that it can comfortably finance through its expanding services.

It could be the ideal asset to purchase so you can create a strong dividend-income portfolio.

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