



Be Careful! The CRA Can Take Back Your Emergency CERB Payments

Description

The Canada Revenue Agency (CRA) relaxed its approval process for Canada Emergency Relief Benefit (CERB) applicants to speed things up and make sure that the most vulnerable people received the emergency funds.

However, the CRA also knows that there are substantial cases where ineligible Canadians have applied for and are receiving CERB money.

CERB eligibility

The alarming number of people who are receiving CERB payments without qualifying for the benefits is a major cause for concern for Canadian taxpayers. There are eligibility criteria for CERB you need to meet to receive the funds, including:

- You must have earned at least \$5,000 in the last 12 months.
- You must not have earned more than \$1,000 in the last 14 days.
- You must not have been rehired under the Canada Emergency Wage Subsidy (CEWS) program.
- You are not receiving Employment Insurance (EI) benefits for the same period.

When the next [tax-reporting season](#) arrives, the CRA will be sure to conduct thorough eligibility checks since the \$2,000 per month will be part of your taxable income for 2020.

Ineligible recipients

With the announcement of the seriousness of the situation, many Canadians have come forth to return ill-received CERB money. Over 190,000 people have returned the money and admitted to wrongdoing. Many did not even know they do not qualify.

The CRA has even started a CERB snitch line where people can report those committing the fraud. People knowingly taking CERB without qualifying might face consequences of more than merely

paying back the amount.

Receiving safer income

With many requirements needed to fulfill to qualify for CERB coupled with the fact that this is a taxable amount, I would suggest trying to secure other means of income. Creating a dividend-income portfolio in a Tax-Free Savings Account (TFSA) can help you make money that you do not have to worry about paying back — or paying taxes on.

I would suggest creating a diversified portfolio of [dividend-paying stocks](#) in your TFSA to create a secure and reliable revenue stream. **Fortis Inc.** is always a surefire addition to such a portfolio for its safe and stable dividends. However, it is not the only stock to consider.

I would suggest adding stock like **Brookfield Infrastructure Partners LP** ([TSX:BIP.UN](#))([NYSE:BIP](#)). It is a utility stock with a globally diversified portfolio that can cover investors well with its juicy 3.34% dividend yield. At writing, the stock is trading for \$56.30 per share.

BIP owns a portfolio of infrastructure networks across North America, South America, Europe, and Asia. Its diversified portfolio consists of more than electricity transmission lines. It also includes smart meters, rail, toll roads, telecom towers, data centers, natural gas processing plants, and much more.

BIP also spun off with some corporation shares for investors who prefer corporation shares instead of limited partnerships for tax purposes. You can also invest in the corporation shares that trade on the **TSX** and **NYSE** with the ticker "BIPC" to buy corporation shares.

Foolish takeaway

Creating a portfolio of reliable dividend stocks can help you generate substantial income in your TFSA that you can enjoy tax-free.

While it may take longer to make passive income to beat the CERB money, it can be a revenue stream that doesn't incur income tax or has an expiry date. Brookfield Infrastructure Partners could be an excellent addition to such a portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)

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