WARNING: 3 Ways the CRA Can Take Back Your $2,000 CERB!

Description

If you are a Canadian citizen who has been out of work due to the ongoing health crisis, you might already be receiving the Canada Emergency Response Benefit (CERB) payments from the government.

The year 2020 will go down in history for various reasons. COVID-19 has shaken societies, how we work, and every other aspect of our lives. It has also brought in long-lasting economic changes for the world. In March 2020, the Canadian government announced the introduction of the CERB program.

The radical program involved the payment of $500 per week for up to 16 weeks to citizens who lost income due to the pandemic. It is a part of the measures taken by the government to stimulate the economy and cater to its most affected people during these unprecedented times.

The monthly $2,000 was made available without delay by the Canada Revenue Agency (CRA) by hastening the CERB application process. However, there are many cases where CERB applicants are collecting the benefits without qualifying for the funds.

I will discuss the three ways the CRA can take back your $2,000 CERB money.

CERB qualification

The CERB was introduced to help the millions who have lost jobs as a result of government-mandated lockdowns. The CRA outlined criteria that applicants need to fulfill so they can qualify to receive the benefits. If you do not meet the criteria, the CRA will likely take back your CERB, and you might face further action for committing CERB fraud.

Three of the most important factors include:

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

If you have been receiving CERB, you didn't meet the requirements and didn't know about them, it would be best to return the CERB money. Over 190,000 people have already returned at least part of the CERB money they collected from the CRA.

There are other ways to generate passive income.

Permanent passive income stream

When it comes to qualification criteria, the CERB has issues. You also need to remember that the benefit is not tax-free. The money you receive will count as part of your taxable income for the next tax season. The CERB is also available for a limited time. With the recent extension, CERB will last 24 weeks with a total possible payout of $12,000.

You can create a tax-free passive income stream that does not expire. You can use your Tax-Free Savings Account (TFSA) to create a portfolio of dividend stocks that can give you substantial passive revenue. You need to buy shares of high-quality companies that offer reliable dividends.

A stock you can consider beginning to build such a portfolio is **Fortis Inc.** (TSX:FTS)(NYSE:FTS). Fortis is an ideal stock for any portfolio due to its sheer resilience in all market conditions. The utility company enjoys a predictable and stable income.

Fortis does not just regularly pay its shareholders their dividends. It increases the payouts each year. The company is a Canadian Dividend Aristocrat with a 46-year streak of dividend growth. Even in harsh economic conditions like these, the company can generate enough revenue to finance its increasing dividends due to the essential nature of the business.

Foolish takeaway

Assets you store in your TFSA can grow without incurring any taxes. If you have enough shares of high-quality stocks in your TFSA portfolio, you can enjoy the substantial monthly income. This revenue stream does not expire like the CERB, and it does not have eligibility issues. The best part is that you do not have to pay taxes on the dividend income in your TFSA.

Fortis is an ideal stock to begin building such a portfolio due to its reliability and track record for dividend growth.

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