



POLL: 85% of Canadians Support Fines for CERB Fraud!

Description

Recently, *Global News* and *Ipsos* did a poll on Canadians' attitudes toward the CERB. According to the poll, 63% of respondents agreed that the CERB was being misused, and 85% supported fines for those who abused the program. These figures are surprising given the large number of Canadians who are receiving the CERB. With 8.4 million applications having been received, approximately 22% of Canada's population has applied for the CERB.

The *Ipsos* poll came after a fiscal snapshot that showed an unprecedentedly large deficit for 2020. The federal government projected that Canada would incur a [\\$343 billion deficit in 2020](#) — not including provincial deficits. A great deal of that projection came from the money budgeted for the CERB, CESB, and CEWS. In light of this, CERB fraud could be a major cost to the country.

What is CERB fraud?

According to [Justice.gc.ca](https://www.justice.gc.ca), fraud involves depriving people of property or money by deceitful means. *Deceit* seems to be the key term here. Merely filling out a form incorrectly wouldn't be fraud; *lying* on a form could be. The federal government doesn't have a specific resource on CERB fraud yet. However, on the related topic of EI fraud, the government states, "If you knowingly withhold information or misrepresent the facts to make a false claim, you are committing fraud."

In light of this, it would seem that CERB fraud would require that you knowingly misrepresent your financial situation to get the benefit. However, questions remain. A big one pertains to people who received the CERB after applying for EI.

For the past few months, EI claims have automatically been treated as CERB claims by Service Canada. That raises the question of whether a person is automatically eligible for CERB if they make a legitimate EI claim. [Canada.ca](#) does state that old EI claims are [automatically assessed as CERB claims](#) but doesn't state whether people applying through EI have different eligibility standards.

Going by anecdotal evidence, it appears that people who qualify for EI will receive the CERB. The question is whether EI applicants will be caught in the dragnet of CERB fraud investigations later on.

For the answer, we'll just have to wait and see.

How to stay safe

If you're wary of being fined for CERB fraud, you have every right to be. Not only is the government considering fines, but they'll apparently have the support of most Canadians should they choose to do so.

For this reason, you might want to simply not apply for CERB if you can afford to do without it. If you have significant savings, there are other ways of establishing passive income.

For example, if you have over \$100,000 saved, you can earn over \$3,000 a year by investing it in an ETF like the **iShares S&P/TSX 60 Index Fund** ([TSX:XIU](#)). XIU is a dividend ETF that holds the 60 largest publicly traded companies in Canada.

According to **Blackrock** — the company that sponsors the fund — it has a 3.4% dividend yield. That means you'll get \$3,400 a year in dividends from XIU if you invest \$100,000 up front (assuming the dividends stay the same). Of course, dividend payouts don't always stay the same. They can be increased, decreased, or eliminated altogether. Over the long term, however, dividends tend to rise.

So, if you invest in a fund like XIU today, you'll likely have an even high yield on cost in the future.

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