



CERB Alert: 2 Ways the CRA Can Take It Back!

Description

The coronavirus pandemic has taught many things to people, nations, and the government. It has taught people and nations how important collective responsibility is. And it has taught governments that perfect solutions to help their people are tough to find.

One clear example of that is the CERB payment. It was a good response and an amazing way to help people, akin to what many governments in the world were doing.

One thing that the government mistakenly relied upon was individual responsibility. It thought that when the pandemic is under control, people will go out and look for work, thus reducing the load from the CERB program.

But many are worried that CERB might discourage people from looking for work. The government is likely operating under the same assumption because chances are the CEWS will outlive CERB by at least a few months.

And while the government isn't pulling the rug from beneath its people by stopping CERB right away, it will eventually end in October. Another extension doesn't seem on the horizon, so people who rely solely on CERB should start looking for work or cultivating alternate sources of income. Worst case scenario, CRA can take your CERB back in two ways.

If you are choosing not to work

If your employer has reopened and they are calling you back, go. Certain circumstances may prevent you from rejoining the workforce as if you are in isolation or taking care of someone who is in isolation. In that case, you can discuss the situation with your employer and document the situation that prevents you from going back to work.

If there is no viable reason and you simply choose not to go back to work, you don't qualify for CERB *and* you'll probably lose your job. You will effectively kill both sources of income with one wrong decision.

If you have a job but still receive CERB

Some people might be confused about the notion that when they applied for CERB, they qualified at the time. But after receiving CERB payment(s), they found a job. So should they send back the whole \$2,000 for the month they rejoined the workforce or only a part of it? If that's you, a good idea would be to set the whole amount aside and contact CRA.

It might direct you to send the whole monthly payment back, or it might allow you to keep it. But it's better to get in front of the problem and contact CRA before they contact you about sending it back.

What CRA *can't* take back

CRA can take back what belongs to the government, but it can't take back what's yours (except in taxes), so if you've grown a nest egg in your Tax-Free Savings Account (TFSA) with a [real estate aristocrat](#) like **Granite REIT** ([TSX:GRT.UN](#)). If you had invested \$10,000 in Granite in 2010 (January 1), you would now be sitting at almost \$10,000.

This nine-year-old Dividend Aristocrat operates in nine countries. Its focus on the industrial, warehouse and logistic properties place it in a desirable position in a market where e-commerce is thriving.

If you lost your chance then, you can still invest in Granite, though a better time to invest would have been in March or April, when the company was trading at a discount. It's currently offering a decent yield of 3.85% and has a five-year compound average growth rate (CAGR) of 20%.

Foolish takeaway

CERB can be taken away if you are not qualified, and the criteria for that are continually becoming more stringent. For people who are solely depending upon CERB, [the clock is ticking](#), and the sooner they find work, the better.

And for future financial strength, you should try saving and investing as much as you can.

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