



## Canada Revenue Agency: What Will Replace CERB?

### Description

According to the Canada Revenue Agency's website, over eight million people have applied for the Canada Emergency Response Benefit (CERB) payments program. The fact that nearly a fifth of the country's population has successfully applied for a \$500 weekly support payment is a testament to the nation's capacity to deal with this cataclysmic crisis.

In June, Prime Minister Justin Trudeau extended the CERB program by a further four weeks. Now, some experts believe the program could be [extended all the way into 2021](#), perhaps even made permanent if the economy doesn't recover post-pandemic. However, the strength of the economic recovery leads me to believe CERB will soon be phased out. In fact, even the Trudeau administration is indicating this now.

Whether you're a CERB applicant right now or believe you may need financial support in the near future, it's probably a good time to seek out alternatives to this wildly popular program. Here are your options.

### Modified employment insurance

At the time of writing, the government intends to phase out CERB by the end of September. At that point, those who qualify for employment insurance assistance will have to transition to that program.

However, employment insurance isn't as generous as CERB. The eligibility criteria are far more stringent. Even for those who qualify, the weekly benefits could be far lower than the CERB's \$500 payment. There's also an upper limit on the total amount any applicant can claim in a year.

All these barriers make the current EI program unsuitable for millions who could face unemployment in the months ahead. The government is now considering tweaking the program to make it more supportive and inclusive. However, it could be a while before we know if or how the EI program will be modified.

Meanwhile, the CRA is recommending saving part of the CERB payments. Socking away just \$100 a week could provide most families a buffer until the economy recovers or the government successfully modifies EI. In my view, these leftover CERB payments could be amplified with robust dividend stocks.

## Dividend stocks

We've seen some companies sail through this crisis flawlessly. These companies have kept their dividend payouts steady while *increasing* their market value during the pandemic.

My top pick is **Emera** ([TSX:EMA](#)). The electric power distribution company neatly meets the definition of a "essential business." After a brief dip in March, Emera's stock quickly rebounded back to its original value. Over the course of this year, the stock has remained flat. Meanwhile, it provides a 4.4% dividend yield.

An investor who saved \$100 a week from CERB payments over the course of 24 weeks could have invested \$2,400 in Emera stock. That holding would retain its value and deliver an extra \$105 in passive income.

The stock is currently trading for an attractive price-to-earnings ratio of 15 and a price-to-book value of 1.5. In other words, there's still time to add this rock-solid dividend stock to your portfolio — especially with your leftover CERB payments.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:EMA (Emera Incorporated)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

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**Author**

vraisinghani

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