WARNING: You Might Not Get the $4,000 CERB Extension!

Description

The Canadian economy is gradually reopening and leading to a resurgence in available jobs that unemployed Canadians can apply for. However, mandatory lockdown measures resulted in millions of people losing their jobs. Many small businesses also had to close down permanently due to the financial ramifications of the pandemic.

The government announced the Canada Emergency Relief Benefit (CERB) program to aid people who lost their income. The initial program was designed to provide Canadians with weekly $500 payments for up to 16 weeks. With the CERB period ending for many Canadians who applied for the CERB and no end to the pandemic, the government announced that it would extend the program.

The Canada Revenue Agency (CRA) will now distribute the CERB money for a further eight weeks. However, getting the $4,000 extra CERB money might not be possible for everybody.

CERB rejection

The program was designed to help out of work Canadians. The CRA had been instructed to approve applications without stringent checking for whether the applicants qualified to receive the funds. While the measure was set in place to speed up compensating the most vulnerable citizens, it also resulted in many people taking advantage of the lax approval process.

Many Canadians who were not eligible managed to collect CERB money. Work is underway to get back the ill-received funds successfully. Moving forward with the extension, the CRA will be more vigilant when it comes to the CERB approval process.

CERB is available to Canadians who fulfill a certain set of criteria. If you do not meet the following criteria, the CRA can reject your CERB application, and you can’t qualify to receive the additional $4,000 CERB:

- You must not have earned more than $1,000 in the last 14 days.
- You must not be receiving any Employment Insurance (EI) benefits.

- You must not have been re-hired under the Canada Emergency Wage Subsidy (CEWS) program.
- You must have earned at least $5,000 in the last 12 months.

Even if you qualify for the program, it comes with an expiry date. The government can't extend the program too many times. It is time that you take measures into your own hands to create a passive income stream for yourself.

Creating your own passive income

If you have any cash savings, you can use it as capital to invest in income-generating assets and make your own passive income stream that does not come with an expiry date. With the right assets stored in a Tax-Free Savings Account (TFSA), you can create passive income that the CRA can't tax.

Ideally, it would be best if you considered investing in reliable dividend-paying stocks that can perform well during a recession. To this end, **Fortis Inc.** (TSX:FTS)(NYSE:FTS) could be considered an ideal company. Fortis is a dividend stock worth holding onto forever. The St. John's-based utility holding company is a massive entity in Canada's utility sector.

Most companies are still on a path to recovering losses from the March crash, and this defensive stock is already up 0.37% from its price at the start of the year. Its Q1 2020 earnings saw Fortis report a solid quarter despite the global health crisis.

It reaffirmed its five-year $18.8 billion capital plan. The company plans to bolster its rate base to $38.4 billion in the next four years. It expects to grow its payouts by 6% through this period.

Foolish takeaway

Buying shares of Fortis and storing them in your TFSA can allow you to earn substantial passive income. At its current price, Fortis pays its shareholders at a juicy dividend yield of 3.54%. Apart from its capital gains, the stock will continue to add cash to your accounts through its dividends.

With enough invested in a dividend stock like Fortis, your TFSA can produce substantial passive income through dividends. It could be worth your while looking into the stock.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:FTS (Fortis Inc.)
2. TSX:FTS (Fortis Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date
2025/08/27
Date Created
2020/08/04
Author
adamothman