



CRA Cash: How to Get Another \$4,000 in CERB Payment

Description

This year, the world witnessed the biggest pandemic of the century. The COVID-19 pandemic locked most people at home. Many people lost their job as the economy came to a standstill. In these dire times, the Canada Revenue Agency (CRA) paid Canadians to stay at home.

The Canada Emergency Response Benefit (CERB) gave out \$2,000 in monthly payments to those who lost their job because of COVID-19. Every Canadian who met the eligibility criteria got a maximum of \$8,000 in CERB payments. Now, you can get an additional \$4,000 in CERB payments.

In June, Prime Minister Justin Trudeau [extended the CERB](#) for another eight weeks. Now, you can claim CERB for any period between March 15 and October 2. In these 29 weeks, you can claim your CERB for a maximum of 24 weeks as long as you meet the eligibility criteria during the benefit period.

Are you eligible for the extra \$4,000 CERB?

You must have claimed \$8,000 in CERB payments during the pandemic-driven lockdown. But you can still claim an extra \$4,000 in CERB up to a maximum of \$12,000, if:

- You earned less than \$1,000 in a month maybe because of a pay cut or reduced working hours.
- You went back to work but later got fired as your employer suffered heavy losses, and couldn't retain its staff.

In June, Air Canada stopped participating in the Canada Emergency Wage Subsidy (CEWS) and [cut 20,000 jobs](#) either through voluntary unpaid leaves, reduced working hours, or termination. This suddenly made some AC employees eligible for the CERB.

If you lost your job in June and you are actively searching for another job, you can claim another \$4,000 in CERB payments. Please note that these CERB payments are like your salary. They will be added to your taxable income for the 2020 tax year.

Maximize your CERB payments

The CERB comes with an expiry date and many pre-conditions. Moreover, it also adds to your taxable income. You can have a personal CERB, which will not be taxable. Open a Tax-Free Savings Account (TFSA) and invest \$500 every month through this account. Now, you must be thinking about where you should invest. I would suggest investing in tech.

The technology companies will flourish in the post-pandemic economy as the world becomes more accepting of digitization. Many companies have realized the cost efficiency and productivity the technology brings.

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is the poster child of the pandemic. Never did retailers imagined that they can open an online store in less than two days, and reach out to a wider set of audiences at a low cost. Even the premium subscription of Shopify costs less than the rent of one physical store. However, Shopify stock has already grown 170% year to date, making it unattractive to buy now.

Investing in tech

A better way to invest in tech is through the **iShares S&P/TSX Capped Information Technology Index ETF** ([TSX:XIT](#)). It has exposure to 18 tech stocks, of which 80% of its holdings are in Shopify, **Constellation Software**, **CGI**, and **Open Text**. All

The ETF has generated average annual returns of 19.9% in the last 10 years. If you had been investing \$500 every month in this ETF since July 2010, you would have had \$174,000 in your TFSA

Whenever you need regular income, you can just shift this money into a good dividend stock that generates an average dividend yield of 6%. This yield will convert into \$550 in monthly dividend income, without affecting your \$113,500. Start investing now!

CATEGORY

1. Coronavirus
2. Investing
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TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)
3. TSX:XIT (iShares S&P/TSX Capped Information Technology Index ETF)

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