CRA Warns: 3 Reasons Your CERB Is Coming to an End

Description

The Canada Emergency Response Benefit (CERB) was a lifeline for many Canadians over the last few months. The benefit gave Canadians $2,000 every four weeks for 16 weeks, and was then bumped to 24 weeks until the end of September. That's a total of $12,000 for many Canadians receiving the benefit.

But the bad news is that nothing lasts forever. The government has been hinting that CERB would soon be coming to an end. Canada is reopening, and that means it's time to try and get back to business as usual. That means the money will soon be diverted away from CERB toward ways to help businesses reopen.

Still need CERB?

It also means many Canadians will soon be refused the benefit by CRA, or if they did receive it could be asked to return CERB money. In fact, CRA is already cracking down on those that either abused the system, or are no longer eligible to receive it. To make sure you're not one of these people, make sure you fall under these major eligibility points.

1. You did not quit your job voluntarily, your work hours have been reduced, you stopped working or are unable to work because of COVID-19.
2. You aren't already receiving another benefit such as Employment Insurance (EI), or your EI has run out.
3. You earned a minimum of $5,000 in the last 12 months, and you don't expect to make more than $1,000 in the next 14 consecutive days.

Other options

Rather than risk a nasty call from the CRA about CERB, now is the perfect time to invest. Canada is reopening its doors, moving money toward businesses to get Canada working again. That means businesses should see a huge increase in revenue over the next few months. That should in turn move shares and the markets in general up and up and up.

Even a little cash put towards the right stock can do great things right now and leave CERB worthless. The perfect option would be dividend stocks, as you can then add that dividend cash to your portfolio without using your own money.

Dividend Aristocrats are perfect, as these companies have had a dividend growth streak of at least five years. That makes a company like **Great-West Lifeco Inc.** (TSX:GWO) a perfect choice.

The company continued to have solid earnings even during the pandemic. This could be due to Canadians wanting to take advantage of their benefits while they could, bumping claims during the pandemic. The company saw year-over-year growth of $257 million to $273 million in Canada.

While base earnings around the world were down, the company's assets remained strong at $1.5 trillion. This left the company able to continue dividend payouts.

Great-West Lifeco has increased its dividends an average of 4.22% per year over the last decade. Meanwhile, its payout ratio remains strong at 76.33%. The company should continue to see revenue increase as travel restrictions are lifted, and Canadians get back to work. It also has the potential to still grow into Asia, which would be huge for investors.

Bottom line

If you can afford to put some money aside and skip out on CERB, then now's the time. You don't want to owe the CRA money, and you can instead bring in cash for decades with a company like Great-West Lifeco. The company's shares still have a potential upside of 50% to reach pre-crash levels and a dividend yield of 7.24% as of writing.

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