



Caution: The CRA Can Take Back Your \$12,000 CERB!

Description

If you are a Canadian citizen who has been out of work due to COVID-19, you might already be receiving the Canadian Emergency Response Benefit (CERB) money. The [Canada Revenue Agency](#) (CRA) started distributing CERB money to applicants, paying them \$500 in weekly payments.

The CERB program was initially going to last 16 weeks. Due to continued economic pressure and soaring unemployment rates, the government decided to extend the program to 24 weeks. It means that you can receive up to \$12,000 in CERB money.

The CRA's initial no-questions-asked approach to approving CERB applications turned out to be problematic. Some of the applicants received CERB money despite not qualifying for the benefit. The CRA will follow up on these applicants, and they will likely end up paying back the agency.

You might also be collecting the CERB without qualifying for it and have to pay back the CRA.

CERB eligibility

The CERB was set in place to help Canadians who lost jobs due to the pandemic. The CRA was tasked with outlining the criteria that applicants should fulfill to be considered eligible to receive the CERB money. If you do not meet the requirements, you might have to pay back the CERB money. Additionally, you can face further consequences for committing CERB fraud.

Two of the most crucial qualification requirements for CERB include:

- You must not have earned more than \$1,000 in the last 14 days.
- You must have earned at least \$5,000 in the last 12 months.

If you have been receiving CERB without qualifying for the benefit, returning the money as soon as possible would be wise. Over 190,000 people have already returned the ill-received funds, and many more are continuing to return the money. If you want to earn passive income, there are better ways.

Dividend income

There are several problems with the CERB. The complex qualification criteria are a significant concern, but you also need to know that it is a limited-time benefit. The CERB will eventually expire, and if the pandemic does not end, you will need another way to earn passive income. Luckily, you can use your Tax-Free Savings Account (TFSA) to create a tax-free income stream.

If you have any savings that you have set aside, you can make better use of the money by investing it in a portfolio of dividend-paying stocks and storing the assets in your TFSA. With the stock markets being volatile, you need to search for companies that can deliver reliable dividend payouts and weather the market uncertainty better than others.

To this end, **Brookfield Renewable Partners LP** ([TSX:BEP.UN](#))([NYSE:BEP](#)) could be an excellent addition to begin building a dividend-income portfolio. Brookfield is a company that is positioned to grow despite circumstances that can adversely affect most other companies trading on the **TSX**.

Renewable energy is a massive industry that will likely replace the entire fossil fuel sector over the next century. The transition is already taking place, and companies like Brookfield are leading the way. The investment in renewable energy projects in the last year totalled \$1.5 trillion, and the next five years could see \$5 trillion invested in these projects.

Brookfield has nearly \$50 billion worth of assets, 5,288 renewable energy generation facilities, and it is already a leader in renewable deployments. The company owns a geographically diversified portfolio of solar, wind, and hydropower infrastructure.

Foolish takeaway

Creating a portfolio of dividend-paying stocks can significantly bolster your passive income. You might no longer have to rely on CERB. The portfolio can earn you income that you can enjoy without paying taxes on it to the CRA.

At writing, the stock is trading for \$58.73 per share and is already north of its pre-pandemic share prices. The company pays its shareholders at a juicy 5.02% dividend yield that it can comfortably finance. Additionally, the company can increase your wealth through capital gains as it continues to grow.

Building a dividend-income portfolio in your [TFSA](#) could be a smart move, and BEP could provide the perfect departure point for such a portfolio.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. TSX:BEP.UN (Brookfield Renewable Partners L.P.)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date

2025/09/22

Date Created

2020/08/07

Author

adamothman

default watermark

default watermark