



CERB Update: CRA Changes to Eligibility Could Be Costly!

Description

The Canadian government were great when it came to getting cash to Canadians. When the pandemic hit, many were forced to work from home or even lost their jobs entirely. The Canadian government almost immediately created the Canada Emergency Response Benefit (CERB) for Canadians needing money as soon as possible.

The problem was that many received the benefit even if they weren't necessarily within the eligibility. It's not necessarily that Canadians were applying just to grab free cash. It's more that many applied for the funds thinking that they may not have money coming in next month.

Today, the CRA is now collecting payments from those who [received CERB](#) and didn't meet eligibility. The cash collected will then go toward other programs meant to put Canadians back to work. That eligibility has been restricted even further recently.

If you are applying for CERB for the first time, you must prove to the CRA that you have stopped, will stop working, or working reduced hours for the next pay period, and that you don't expected to make over \$1,000 for 14 days in a row during the next four-week period.

If you're applying for another period, you must show you are still not working, or working reduced hours and still don't expect to make \$1,000 during the four-week period.

CERB replacement

So if it's available, and you're going back to work, it might be a good time to consider other options besides CERB. Right now is a great time to invest, as the volatile market has lots of opportunities with quick turnaround in share price. For those looking for long-term passive income, dividend stocks are the perfect choice.

By investing using your Tax-Free Savings Account (TFSA), you can then bring in dividend income tax free. In that case, a great option for safe and stable income is **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)). The bank has expanded over the last several years, and has been bringing in cash

preparing for an economic downturn.

The bank offers a dividend yield of 4.63% as of writing, recently bumping the dividend to \$4.32 per share per year. In the last decade, the bank's dividend has risen an average of 11.6% per year. Meanwhile, the share price has about 18% of potential upside to reach pre-crash prices.

An investment of just \$10,000 could reach \$11,170 reaching those prices, with dividends of \$462.24 each year for the foreseeable future. And that's all cash you can keep for decades to come.

Bottom line

The CRA might be making it harder to get [CERB cash](#), but that doesn't mean all is lost. By taking advantage of the current markets, you can stand to make huge funds in a short period of time. Meanwhile, you can bring in dividend income to reinvest in this top stock for decades.

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Date

2025/08/25

Date Created

2020/08/07

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