You Won’t Get the CERB Extension If You Do These 2 Things Wrong

Description

The Canadian government saw the need to extend the Canada Emergency Response Benefit (CERB) as millions of Canadians were still under financial duress. With the announced extension in mid-June 2020, affected employees and workers can re-apply for the taxable benefit.

From 16 weeks initially, the lifeline stretches to 24 weeks, while the total remuneration increases from $8,000 to $12,000. The Canada Revenue Agency (CRA) will continue disbursing $2,000 monthly to eligible recipients for up to six months. However, the CRA can reject your application for an extension if you err and commit two mistakes.

Voluntary resignation

CERB is emergency economic support for employees or workers who lost jobs or working fewer hours due to the coronavirus outbreak. Thus, technically, if you voluntarily quit your job, you extinguish your viability as a legitimate CERB recipient. However, there are exceptions to this rule.

You can still be eligible for the CERB extension if you’re resigning to take care of someone sick with COVID-19. The reason is one of the important and basic eligibility requirements. Remember that quitting your job due to a non-COVID-19-related issue is automatic rejection.

Receiving employment income

The CRA will deny your CERB application if the tax agency discovers you’re double-dipping. You can’t be earning employment income and CERB simultaneously. Again, there’s a consideration concerning income. You can qualify for the extension if your monthly employment or self-employment income, before deductions, will not exceed $1,000.

The design of CERB is primarily for the unemployed. For as long as your circumstances are the same as when you first received CERB, the CRA will approve your application and pay you for the subsequent periods. However, you must sign an accompanying attestation that the government is encouraging you to seek employment actively.

Create own CERB

Investing in a dependable dividend-payer like **Algonquin Power and Utilities** (TSX:AQN)(NYSE:AQN) is one way to have financial security in times of crisis. This $10.74 billion utility stock can provide a permanent income stream. Also, you gain capital protection and instant hedge against inflation.

A $20,000 position in this utility stock and a 4.66% dividend offer, you can produce $932 in extra income. Hold the stock for 20 years, and you compound your money to nearly $50,000. The dividends are safe because the business model is low-risk. Algonquin's cash flows are predictable since it's a rate-regulated utility company.

The stock is recession-proof given the company's essential services, whether there's a health crisis or not. Algonquin owns and operates a portfolio of regulated and non-regulated generation, distribution, and transmission utility assets in North America.

Algonquin is partnering with Chevron U.S.A., a **Chevron** subsidiary, to develop renewable power projects that will provide electricity to strategic assets across Chevron's global portfolio. Because of its technical and operational expertise in renewable power, Algonquin will lead the design, development and construction of the projects.

Reduce reliance on federal aid

The COVID-19 pandemic is educating Canadians about financial health. CERB is ending soon, and people are already worrying. It shows over-dependence on emergency measures. After the pandemic, it would be best to consider lessening reliance on government aid.

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