



## Caution: 4 Ways You Will Be Denied the \$12,000 CRA CERB Extension!

### Description

In light of the entirely unprecedented situation the novel coronavirus pandemic has put us all in, governments worldwide are making their best efforts to help the most vulnerable people in their countries. The Canadian government's [COVID-19 Response Plan](#) has been a beacon of hope for many who lost their ability to earn money during the lockdowns.

As millions of people lost their jobs due to the social distancing measures, the government announced the launch of its Canada Emergency Relief Benefit (CERB) program. According to the program outline, Canadians who lost their jobs due to the pandemic would receive weekly \$500 payments for up to 16 weeks. That means CERB could pay out potentially \$8,000 to citizens.

### CERB extension

When the 16-week deadline came close, there was still no drastic improvement in the situation. While economies have gradually started to reopen, millions remain unemployed. The government announced an extension to the CERB program by a further eight weeks. It means you can get a total of \$12,000 through CERB.

The Canada Revenue Agency (CRA) was quite lax with its approval process for CERB applications, resulting in many people receiving the money without qualifying for it. With the extension in place, the CRA will be more stringent. There are ways the agency can reject our extension application.

### How the CERB can reject your application

You receive \$500 per week for four weeks when you apply for CERB. If you want to continue receiving it, you must reapply for the benefits. You can receive the CERB money for up to 24 weeks, but you can't merely apply it if you do not qualify.

The agency is encouraging people to look for jobs as opportunities arise. If you cannot find work during this time, you can apply for the CERB extension. However, not meeting the following requirements can

see the CRA reject your application:

- You must not have earned more than \$1,000 in the last 14 days.
- You must not have been rehired under the Canada Emergency Wage Subsidy (CEWS) program.
- You must have earned at least \$5,000 in the last 12 months.
- You must not be receiving any Employment Insurance (EI) benefits during this time.

If you qualify for it, you can continue to collect CERB money, but you should know that it still has an expiry date. You can earn passive income that can last longer and make money on your own terms. It would be better to rely on yourself rather than receiving funds from the government that won't last long.

## Creating your own passive income

Over the years, you might have accumulated some cash savings. Instead of letting that amount sit around as idle cash in a high-interest account with slow growth, you could use it as investment capital to generate income through a Tax-Free Savings Account (TFSA).

Investing the money for your nest egg [might sound scary](#), especially in a volatile market like this. However, there are safer investments that you can consider that will grow your wealth over time and insulate your money from the market volatility. To this end, **Canadian Utilities Ltd.** ([TSX:CU](#)) can be an ideal security to consider.

The \$9.10 billion market capitalization company is part of Canada's utility sector. Utility companies always offer more security to investor capital than most other industries due to the essential nature of service this sector provides. At writing, the stock is trading for \$33.11 per share, and it pays its shareholders at a juicy 5.26% dividend yield.

Canadian Utilities is a pure cash-maker for its shareholders during all types of market conditions. While it may not offer much capital growth, it's a stable stock from a very defensive industry. In dire economic circumstances, it is companies like Canadian Utilities that can help investor capital thrive.

## Foolish takeaway

Buying shares of Canadian Utilities and storing it in a TFSA can grow your wealth through its dividends and capital gains. A portfolio of dividend-paying stocks with reliable income can turn out to be much better for your nest egg than letting your capital sit as idle cash in an account.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
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4. Newscred
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6. Yahoo CA

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