Is Your CRA CERB Ending Soon? Do This to Keep Getting $2,000 a Month

Description

Canadians can only get up to six periods, or 24 weeks, of the Canada Revenue Agency's (CRA) Canada Emergency Response Benefit (CERB).

Therefore, Canadians who were the first to receive the $2,000 a month CERB will see the benefit ending as early as the end of this month.

From there, many Canadians will need to dig into their savings. Low-risk, fixed-income GICs ensure the safety of your principal, but you'll earn close to nothing with today's ultra-low interest rates. In fact, after inflation, your purchasing power may actually be lower.

The best one-year and five-year GIC rates available are 1.9% and 2.3%, respectively. You can easily double that income to get a yield of at least 4.6% with safe dividend stocks.

In fact, if you have enough savings, you can generate $2,000 a month immediately.

Here are a couple of well-valued stocks that offer safe dividends of more than 4.6%.

Get a 6.1% dividend from Bank of Nova Scotia stock

Based on assets, **Bank of Nova Scotia** (TSX:BNS)(NYSE:BNS) is a top 10 bank in the Americas. Over the years, it has positioned itself to focus on the core markets of Mexico, Peru, Chile, and Colombia on top of Canada and the United States. All are investment-grade countries, including Canada, the U.S., and Chile, which are A+ grade or better.

Scotiabank's Canadian banking business enjoys the highest returns across its operations. Its typically stable earnings help keep its dividend safe. Currently, the bank estimates that the North American economy will rebound quicker than in the Pacific Alliance countries. Since it generates about 66% of its earnings from Canada and the U.S., BNS stock should be able to keep its dividend safe.

Nonetheless, its earnings have been shaved off this year due to COVID-19 disruptions to the global economy. And it could take about three years to recover.

Consequently, investors can buy BNS stock at a discount of roughly 30% from its normalized level. By doing so, you'll enjoy an elevated dividend of 6.1%.

Enbridge stock yields 7.2%

Enbridge (TSX:ENB)(NYSE:ENB) stock is another blue-chip stock that produces juicy income. Its long dividend-growth history of 24 consecutive years is evidence that its business model works through business cycles.

This year, the leading North American energy infrastructure company, once again, proves that it's a defensive income investment. It's been generating resilient cash flow through this stressful period.

Furthermore, Enbridge has $14 billion of available liquidity to help it weather this recession. From this liquidity alone, it could pay more than two years of dividends.

However, it doesn't need to tap into that liquidity to pay its dividends. In its Q2 report, management reaffirmed its guidance of $4.50-$4.80 of distributable cash flow per share this year. This would result in a reasonable payout ratio of about 70%.

The dividend stock is undervalued with a boosted yield of 7.2%. Its 12-month price target implies upside potential of close to 15%.

The Foolish takeaway

The CRA CERB is ending soon for many Canadians. If you've got any savings that you can keep invested for at least three years, you should highly consider getting elevated income from blue-chip dividend stocks like BNS stock and Enbridge stock. They offer better yields than rental properties and they generate truly passive income.

To get $2,000 a month from BNS stock, you'd need to invest about $393,443. To get similar income from ENB stock, you'd need to invest about $333,333.

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