Canada Revenue Agency: Don’t Miss Out on an Extra $4,000 CERB

Description

CERB is the most popular term in Canada these days. It’s the acronym for Canada Emergency Response Benefit, which is the pillar of the country’s COVID-19 Response Plan. You’re lucky if you’re not lining up to receive the taxable benefit from the Canada Revenue Agency (CRA). It means you’re employed or working.

The luckless ones are laid-off individuals, displaced or working fewer hours due to COVID-19. Fortunately, the federal government understands the continuing misery of people in coping with the pandemic.

On June 16, 2020, the announcement came. CERB will run for eight more weeks, and the CRA will pay an extra $4,000. If your circumstances when you received CERB before are the same, you could be eligible for the program’s extension. You’ll have more crisis money to spend on necessities and other living expenses.

The value of CERB

First and foremost, CERB is the lifeline unemployed Canadians apply for during the health crisis. At the onset, everyone knows the program is temporary and only a stop-gap measure to deal with their financial hardships. Second, without CERB, consumer spending will stop. The economy needs to churn and not be on a standstill.

Initially, an eligible recipient will get $500 weekly for up to 16 weeks or a maximum of $8,000 for four months. When June came, anxiety was rising because the situation hasn’t changed. The early claimants are due to exhaust their taxable benefits in July. As fate would have it, the federal government came to the rescue by extending CERB.

The CERB extension gave Canadians a breathing spell. If you still meet the eligibility criteria, you can re-apply and not miss out on the $4,000 crisis money. The CRA is on the sixth round of payments and approaching the final eligibility period (August 30 to September 26, 2020).

Change priorities

Federal aid programs are vital to surviving during wide-scale lockdowns and business closures. However, the pandemic should also instill lessons regarding finances. The pandemic-related measures are for emergencies only. When you return to work and earning again, prioritize your financial health.

Canadians should turn income-investors in post-pandemic. If you own dividend stocks, you have money regardless of the economic scenario. A good pick today is an infrastructure stock like **TransAlta Renewables** (TSX:RNW) that pays a lucrative 5.98% dividend.

TransAlta has a market capitalization of $4.19 billion and should be worth your money at less than $20 per share. At its current dividend yield, a starting investment should produce $1,196 in passive income. Some analysts believe the stock is 31% undervalued relative to its current price. It means it’s an acceptable deal at present.

The company from Calgary, Canada, owns, manages, and operates renewable power generation assets consisting of wind (23), hydroelectric (13), and natural gas generation (7) facilities. You can add a solar facility and one natural gas pipeline. Investors can expect TransAlta to continue acquiring new facilities for strategic growth.

Recovery period

CERB payments are almost over as the transition to Employment Insurance (EI) begins in September 2020. Furthermore, the modified Canada Emergency Wage Subsidy (CEWS) should unclog the EI system and enable many companies to rehire their employees in the recovery period.

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