



Good News! CERB Has Been Extended by 4 More Weeks

Description

The Canada Revenue Agency (CRA) will broaden its safety net for millions of Canadians. Yesterday, newly appointed finance minister Chrystia Freeland announced modifications to the government's economic rescue package. The announcements included an extension of the popular Canadian Emergency Response Benefit (CERB).

Here's what you need to know.

CERB extended

Currently, there are over four million Canadians receiving CERB. This program has served as a critical safety net for these applicants and their families. However, the program was due to end soon.

This week, the Liberal government announced a \$37 billion cash injection into the programs. Fresh funding allows the CERB payment period to be extended by four more weeks. This means applicants could expect roughly \$2,000 more in stimulus payments towards the end of this unfortunate year.

Nevertheless, the government made it clear that the CRA will have to transition to other programs as CERB is eventually wound down.

Prepared for a post-CERB world

The government is gradually shifting its focus to getting people back to work and supporting only the most vulnerable. This week, they announced three new CRA relief programs that would widen the country's safety net.

Programs such as the Canada Recovery Benefit, Canada Recovery Sickness Benefits, and Canada Recovery Caregiving Benefits support the self-employed, caregivers, and those with dependents. These cohorts could expect up to \$500 a week in relief payments if they are unable to work due to the crisis.

Meanwhile, the CRA has also extended the employment insurance (EI) program to make it more inclusive. By loosening eligibility criteria for EI, many more Canadians that have been impacted by the pandemic could find critical support.

Altogether, these programs could deliver thousands of dollars in relief over several years to applicants. If you are currently receiving any benefits, you could use a small portion of them to secure your future.

Secure your future

You could reasonably save between \$1,000-\$3,000 by setting aside just 10-25% of your benefit payments every week. Investing this amount in a robust dividend stock could be the key to securing your finances forever.

My Fool colleague Puja Tayal recently wrote a piece about using real estate investment trusts to create a [“forever CERB.”](#) Her pick was the nation’s largest landlord: **RioCan REIT** ([TSX:REI.UN](#)).

RioCan has a well-diversified portfolio of properties across Canada. None of its tenants account for more than 5% of income. Meanwhile, the properties range from commercial malls to residential condos. This broad mix of tenants and properties makes it more secure than your typical REIT.

The company is also conservative with its cash. Dividends are typically paid out from just 77-80% of its free cash flow (FCF). That means the trust has a sizable buffer if several tenants leave or real estate prices collapse.

At the moment, the REIT offers a ludicrous 9.33% dividend yield. At that rate, your \$3,000 investment from CRA benefits could deliver \$300 in extra cash flow every year — one extra week of passive income! Over time, this could grow much larger. Perhaps within a decade the dividend yield could support an entire month’s basic expenses.

The CRA has extended CERB, but you could use dividend stocks to prolong it further.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:REI.UN (RioCan Real Estate Investment Trust)

PARTNER-FEEDS

1. Business Insider
2. Koyfin

3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Investing

Date

2025/07/26

Date Created

2020/08/21

Author

vraisinghani

default watermark

default watermark