Canada Revenue Agency: CERB Extended Again by Another $2,000

Description

Just days after Canadian Finance Minister Bill Morneau resigned and was replaced with Chrystia Freeland, the government announced that the Canada Emergency Response Benefit (CERB) would be extended. What initially started out as a $2,000/month benefit in March covering a period of up to 16 weeks was extended by two months in June.

This latest extension puts the total possible benefit period at 28 weeks, or seven eligibility periods. That means the maximum possible amount CERB recipients can now receive is $14,000.

Without the extension, many Canadians who applied for CERB when the program first started would have exhausted their benefits this month. However, the government previously announced that it would still look after those people out of work due to COVID-19 even after the end of CERB, saying that a transition will happen to the employment insurance program.

While this is good news for many CERB recipients, it's important to remember that the payments are taxable. And with Canadians now potentially receiving $14,000 this year through the benefit, that could mean a big tax bill come next year. That's why it's important to think about leaving some of those CERB payments back.

A great opportunity to save

With many businesses still not operating near capacity, now is a good time to try and cut down on expenses and put as much money as you can away into savings. A tax-free savings account (TFSA), in particular, is a great place to put your money.

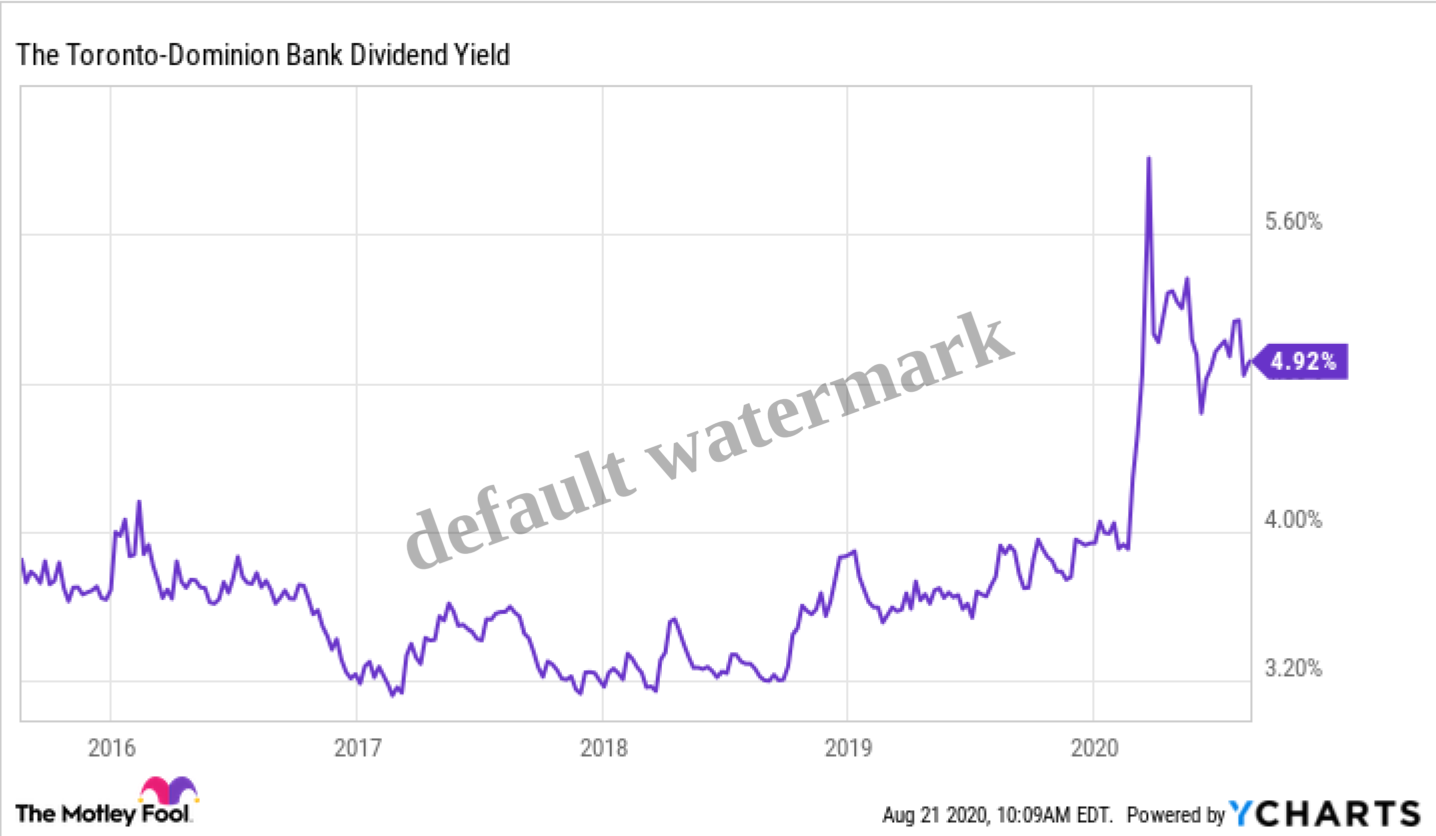
Whether you're putting aside money for taxes on the CERB to be paid next year or have cash available from spending less, the TFSA's a safe place to put your money. There are a variety of investments you can hold in a TFSA, including stocks.

And for TFSA investors, there's nothing like a great dividend stock to put into there.

CERB extended again by another $2,000 bank with a top yield

One stock that's an attractive buy right now is **Toronto-Dominion Bank** (TSX:TD)(NYSE:TD). It's been a tough year for bank stocks and their share prices have been falling as investors are concerned about the state and health of the economy.

And with share prices down, that's pushing dividend yields up. Currently, TD's dividend is slightly above 4.9%, and outside of this year, that's not a yield you'd normally be able to get:



TD Dividend Yield data by YCharts

That's a solid dividend from one of Canada's top banks. Investing in TD is an easy decision because as long as the economy continues to grow, so too will the bank's business.

And while things in the economy may not look great today, they won't stay that way forever. Buying today gives you the potential to grab TD stock at a low price and benefit from a high yield and a big possible capital gain a few years from now as its share price inevitably recovers.

Bank stocks are one of the safer investments you can hold in your TFSA, especially over the long term as things stabilize. While there may be some fluctuations from one year to the next, bank stocks will generally rise in value.

Even with the decline in 2020, shares of TD are still up 22% over the past five years.

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