



CRA Update: The \$500/Week CERB Has Been Extended!

Description

Last Thursday, the Canadian government, with the Canadian Revenue Agency (CRA), [announced](#) it is extending the Canada Emergency Response Benefit (CERB) by four more weeks to a maximum of 28 weeks. The government plans to allocate an additional \$37 billion to assist Canadians in the transition from the CERB over to a revamped Employment Insurance (EI) program.

What does this mean for you?

While the CERB will only extend until September 27, Canadians may be eligible for additional support through EI. This could translate into a minimum of \$400 per week for up to 26 additional weeks as long as you have worked 120 insurable hours in Canada this year.

The CERB will expire, but there are other options

In addition to the CERB extension, the government is launching three new recovery benefits available in October. These programs will cover:

- workers who are self-employed (a \$400 per week benefit for up to 6 weeks),
- sick leave (10 days paid sick leave),
- and caregiver benefits (eligible for caregivers of children under 12 years who can't participate in childcare/schooling due to school closure or health issues).

I don't know about you, but I am incredibly grateful that we live in a country with the capacity to support its citizens in difficult times! However, this sort of downturn may have you thinking about how you could improve your financial situation for the future.

Build your own TFSA income stream after CERB expires

One way to improve your annual income stream is to build your own CERB investment income

program through a Tax Free Savings Account (TFSA). The CRA crafted the TFSA to help Canadians build their retirement/rainy day savings funds, without any tax consequences. Frankly, it is an amazing gift many Canadians don't even know about. Presently, only half of eligible Canadians are actually using their TFSA!

If you regularly contribute to your TFSA and then invest the money, it could be possible to [build your own CERB-like income stream one day](#). Over a lifetime, this investment portfolio's income could supplement or even supersede your employment income!

This infrastructure stock is perfect for your TFSA

One dividend stock that would be a perfect foundation for your CERB replacement portfolio is **Brookfield Infrastructure Partners** ([TSX:BIP-UN](#))([NYSE:BIP](#)). It owns, manages, and invests in a diverse mix of infrastructure assets (pipelines, transmission lines, ports, data infrastructure, and toll roads).

These assets are essential for society to function. Consequently, ~95% of BIP's cash flows are either regulated or contracted. This means, regardless of even pandemic operational challenges, its cash flows will be fairly consistent.

This just means that its 4.4% dividend is very safe and well covered by cash flows (85% payout ratio). Management recently relayed that 1% or less of cash flows will be impacted by the pandemic in 2020, thereby demonstrating the diversity and stability of its business platform.

While the CERB income won't grow, this dividend stock will. It has grown its dividend by a compound annual growth rate (CAGR) of 11% since its 2009 inception!

Although its dividend is attractive, I am even more attracted by the capital growth opportunities for this stock. BIP has \$4.3 billion of liquidity that is capable to deploy into organic and acquisition growth. The economic consequences of the pandemic could create some very significant opportunities to acquire distressed-prices assets.

As a result, BIP could see the start of many years of growth ahead. Now is a perfect time to buy this stock and start growing your CERB replacement income stream!

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

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1. NYSE:BIP (Brookfield Infrastructure Partners L.P.)
2. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)

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