The CRA's CERB Is Extended as Justin Trudeau Announces $37 Billion Plan

Description

As millions of Canadians continue to grapple with the impact of the dreaded COVID-19 pandemic, the Justin Trudeau-led government has announced a $37 billion plan for workers. The Federal government also said the Canada Emergency Response Benefit (CERB) is extended for another month and will then transition to the employment insurance (EI) program, according to [a report from *CBC*]().

These changes will come into effect by September 27, 2020. Further, the Canadian government has launched three other programs for residents who do not qualify for EI.

CERB will expire next month

The CERB, which pays Canadians $2,000 a month, will expire on September 27. Alternatively, a new benefit will replace the CERB, and those ineligible for the EI and will receive $400 a week for a period of up to 26 weeks. Canadians eligible for the EI will also receive a minimum of $400 a week.

In order to claim the above benefits and qualify for the EI, Canadians must report 120 hours of work in the last 52 weeks. As stated above, there are three other benefit programs that were announced as part of this plan.

The Canada Recovery Benefit will pay $400 a week for a period of 26 weeks for self-employed workers unable to resume work. The Canada Recovery Sickness Benefit will pay $500 a week for two weeks for people who need to self-isolate amid the pandemic.

The Canada Recovery Caregiving Benefit will pay $500/week for up to 26 weeks to households with a child below the age of 12. Several parents are unable to go to work as schools, daycare centres, and other facilities are shut due to the pandemic.

The *CBC* report states that 4.5 million Canadians get paid via the CERB. When the program expires, approximately three million will transition to the EI and two million will use the recovery benefit.

Earn passive income by investing in this high-yielding REIT

While the Canadian government continues to pump in billions to revive its sluggish economy, it is advisable to create multiple income streams that can complement your employment payouts. The economy will continue to remain volatile, and there will be multiple recessions and slowdowns in the upcoming decade, too.

One way to generate recurring income at a time of low-interest rates is by investing in dividend-paying REITs such as **Northview Apartment** (TSX:NVU.UN). Northview owns around 27,000 residential units in eight Canadian provinces and two territories.

It pays a monthly distribution of $0.1358 per unit, indicating a forward yield of 4.7%. Northview has not raised or cut dividends in the last five years, but its stock price is up 70% since August 2015. Northview stock is up 20% year to date as well and is trading 38% above its 52-week low. The stock is reasonably valued with a price-to-earnings multiple of 9.1 and a price-to-book value of 1.1.

Northview's low payout ratio of 42.7% makes a dividend cut unlikely. The company's cash flow from operations took a hit in Q1, but it continues to have a strong balance sheet, making it a top stock to hold given its diversified portfolio.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks
3. Investing

Date
2025/08/24
Date Created
2020/08/24
Author
araghunath