



CRA Warning: You Might Have to Give Back Your CERB Payments!

Description

Suppose you are a Canadian citizen who lost your job due to COVID-19-related reasons. In that case, you might already be collecting the Canada Emergency Response Benefit (CERB) payments from the Canada Revenue Agency (CRA). The government began this fund as part of its COVID-19 response plan and instructed the CRA to distribute \$2,000 over four weeks for 16 weeks.

CERB was supposed to last 16 weeks, but the government [extended it in June](#) by another eight weeks. If you began collecting CERB when it started, you might have exhausted your CERB period this month. The government announced another extension to the program. Canadians can receive CERB for up to 28 weeks, totaling \$14,000.

The second extension to the program is a sigh of relief for many Canadians who continue to remain jobless due to the pandemic. However, you should be aware of the fact that you might not get to keep the CERB money you have received.

The CRA can take back the CERB

There is a chance you might be collecting CERB money without qualifying for it. There is an eligibility criterion that the CRA defined for people to be eligible for the funds. The CRA did not stringently check CERB applicants' eligibility to speed up the process of delivering funds to people who need it the most.

Due to this relaxed approval process, many people who did not qualify for the benefit slipped through the cracks and received the money they should not have. Over 190,000 people have already returned the CERB because they did not qualify. If you've collected the money without checking the eligibility requirements, you might have to pay back the CRA.

Here are some of the factors that qualify you to receive CERB:

- You must have earned at least \$5,000 in the last 12 months.
- You must not have earned more than \$1,000 in the last 14 days.
- You must not have been re-hired under the Canada Emergency Wage Subsidy (CEWS) program.

- You must not be receiving Employment Insurance (EI) benefits during this period.

Even if you qualify for CERB, the program has an expiry date. You will need to earn income without the government's help when it ends. Luckily, there are [better ways to earn passive income](#) without relying on government support.

Passive-income stream

Creating a dividend income portfolio can help you earn a substantial income. It requires the prerequisite of investing a substantial sum into income-generating assets like **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)) and earning through its dividend payouts.

Storing a stock like Brookfield in your Tax-Free Savings Account (TFSA) can help you earn a significant amount through dividends without worrying about paying income taxes on your growing wealth. Selecting the right equities to store in your TFSA is critical. You need to consider companies that can provide you with reliable dividends and capital growth if you want to become a wealthy investor.

Brookfield Renewable Partners fits the bill as both a reliable dividend stock and a stock with immense growth potential. BEP operates in the growing renewable energy industry. The industry is expected to grow to \$5 trillion in the next five years through investments in renewable energy projects.

Brookfield has a leading position in the renewable energy sector. Founded in 2000, it owns \$50 billion worth of assets, almost 5,300 renewable energy-generation facilities, and it is already operating a massive network of renewable energy distribution. The company has a diversified portfolio of solar, wind, and hydropower assets worldwide, and it continues to expand.

Foolish takeaway

Creating a dividend-income portfolio can provide you with significant passive income. A portfolio of robust stocks in your TFSA can grow your wealth without incurring income taxes. At writing, BEP is trading for \$62.43 per share, and it pays investors at a decent 3.72% dividend yield. I think it could be an ideal stock to begin building a dividend income portfolio to replace CERB.

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Author

adamothonman

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