



## Canada Revenue Agency: CERB Is Extended 4 More Weeks!

### Description

The Canada Revenue Agency (CRA) is granting extension after extension in 2020. Taxpayers are getting a [reprieve](#) from the new tax-filing and tax-payment deadlines. But the most vital is the extension of the pandemic lifeline.

Canadians who are exhausting their Canada Emergency Response Benefit (CERB) welcome the latest four weeks extension. From 16 weeks and then 24 weeks, CERB will run for a maximum of 28 weeks total. Likewise, a recipient can receive a \$14,000 in taxable benefits.

### Two CERB extensions

Canada's deputy prime minister and newly appointed finance minister Chrystia Freeland announced the second CERB extension on August 20, 2020. The federal government embeds the additional \$8 billion spending in the \$37 billion emergency package that will come after the termination of CERB.

CERB will be in place until September 27, 2020, after which the government will transition recipients to the expanded Employment Insurance (EI) and the new Canada Recovery Benefit (CRB). Displaced workers can also be eligible to receive the Canada Recovery Sickness Benefit (CRSB) or the Canada Recovery Caregiving Benefit (CRCB).

### Sound advice

The new recovery benefits are opening in October 2020, and unlike CERB, the CRA will tax all payments at the source. For this reason, tax experts are advising recipients of the \$4,000 extra to prepare for the taxes due on CERB in 2021. You have an income source for four weeks more, but it could be a double-edged sword if you don't consider future tax obligations.

A bit of sound advice is to plan before October. Figure out your income level and the tax implications when you factor in CERB and the new recovery benefits you will receive in 2020. Some CERB recipients are setting aside money for taxes and not spending all the pandemic money. It will lighten

your tax burden if you do the same.

## CERB replacement

Replacing CERB is possible if your income is stable. **Chemtrade Logistics Income Fund** ([TSX:CHE.UN](#)) is trading at a ridiculously low price of \$5.68 but offering an incredible 10.26% dividend. An investment of \$50,000 will produce \$427.50 in monthly income. This dividend king has been paying dividends since 2001.

The \$525.97 million income fund engages in producing and distributing industrial chemicals and services in North America. Chemtrade specializes in sulfuric acid, spent acid processing services, and inorganic coagulants. It supplies a large volume for water treatment and other industrial solutions.

Although its marketing services agreements with customers are long term, lockdowns in several industries caused a massive decline in sales volume and selling prices. In Q2 2020, adjusted EBITDA and total sales fell 17% and 12.4%, respectively.

Analysts covering Chemtrade predicts 27.8% growth in 2020, as the [economy recovers](#) in the next two quarters. The stock price could follow and appreciate by 111.2% to \$12 in the next 12 months. While being a niche player is a competitive advantage, Chemtrade remains vulnerable to industry-wide risks and price fluctuations.

## Leave no one behind

The government extended CERB, because about four million Canadians still need a lifeline. Of the total, three million will transition to EI in October. If you're ineligible for EI, you can apply for the recovery benefit so you aren't left behind.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:CHE.UN (Chemtrade Logistics Income Fund)

### 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**

2025/08/27

**Date Created**

2020/09/02

**Author**

cliew

default watermark

default watermark