



## CAUTION: 2 Ways the CRA Can Take Back Your \$14,000 CERB!

### Description

CERB has been extended for another week, so people who haven't been able to find viable jobs or restarted their business at enough capacity can have one more month to replace lost income. The government isn't planning to leave them stranded, but the EI that's supposed to [replace CERB](#) isn't going to be as generous for many recipients nor easy to qualify for.

With a bigger CERB comes even more responsibility. For eligible recipients, it means a bigger tax bill. For ones that didn't qualify but circumvented the system and got the CERB anyway, the \$14,000 CERB might become a very strong noose once CRA asks for the money back.

There are two ways that CRA can take your money back.

### If you lied on your CERB application

If you lied on your CERB application and were dishonest about the details you had to fill in, you might have to pay the piper. For now, a penalty hasn't been finalized for cheating on CERB applications, and the most CRA would do, is ask for the amount (that a fraudulent recipient was receiving) back. The full amount can reach \$14,000.

But since it will most likely happen in the next tax season, the government might come up with some sort of punishment. It might be justified because taking unjustified CERB isn't just about getting your hands on some government money, but you might also be preventing someone who deserved this sum from getting the money.

### If you got a job but still kept receiving CERB

If you found a job or another way to replace lost income that disqualified you for CERB, you need to send that month's CERB back. But if you keep earning *and* receiving CERB, CRA can take the money back. It's tracing fraudulent cases by comparing them to payrolls, but it might take some time. Eventually, it *will* catch up, and if it decides to penalize you, you may end up paying more than just the

original \$14,000.

## Your own CERB

If you had invested a small amount in the right company at the right time, you'd have a decent-sized nest egg to sustain you and work as a replacement for your CERB. For example, if you [had invested](#) just \$1,000 in **Enghouse Systems** ([TSX:ENGH](#)) – the oldest tech aristocrat, about nine years back, you'd have about \$19,000 right now.

TFSA was also around back then, and the investment would have been even more lucrative in a TFSA. Because in the registered account, the growth and your withdrawals to make up for lost income would all be tax-free. Even if you missed your chance back then, you could start now. If another market crash comes, Enghouse and several other decent dividend and growth stocks would be discounted.

Even a couple of thousands invested in a good growth stock can grow into a small emergency fund in about a decade.

## Foolish takeaway

Even if you got CERB the wrong way, you can turn things around and send it back yourself before CRA comes calling. It might not be as easy, especially if you've spent it all, but if CRA decides to penalize fraudulent CERB recipients, you may have to pay back more than just the CERB. Taking matters into your own hands now would be a better long-term solution.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. TSX:ENGH (Enghouse Systems Ltd.)

### PARTNER-FEEDS

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

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