



Warning! The CRA Can Take Back Your \$14,000 CERB

Description

The Canada Emergency Relief Benefit (CERB) was a massive sigh of relief for Canadians who lost their income due to the pandemic. If you lost your job directly or indirectly due to the COVID-19 pandemic, you might already be collecting the CERB from the Canada Revenue Agency (CRA). However, you should know that the government agency is busy recollecting all the inadvertent CERB payments to ineligible Canadians.

If the CRA finds out that you took the CERB money without qualifying for the emergency benefit, you might have to pay back the \$14,000 CERB. The [government is phasing out the CERB](#) to replace it with alternative benefits to encourage Canadians to return to work. The CRA window for CERB payouts will end by September 27, 2020. The CERB repayment process is also in progress for people who might need to repay their CERB.

Why the CRA might take back your CERB

The CRA is quite strict when it comes to eligibility requirements. Many people who erroneously received CERB money without qualifying for it took advantage of relaxed checking criteria. The government instructed CRA to expedite the application approval process as quickly as possible to help the most vulnerable citizens.

Many people who did not qualify slipped through and received the payments. There are two scenarios in which you might consider returning CERB money. The first is if you applied for and received your CERB check, but you found out later that you are not eligible. You should return the amount as soon as possible.

The second scenario could be that you received CERB twice. Both the CRA and Service Canada are disbursing CERB. If you applied for CERB from both organizations, you have to return the excess amount. You can file your CERB application with one of these two and not both.

Returning CERB

These two are common scenarios that people might face in which they have to return CERB money. If you realize that you have erroneously received CERB and you want to return it before the CRA gets on your back about it, you can send the check to CRA or Service Canada.

Creating passive income yourself

Even with a CERB replacement program launching by the end of this month, it would be best if you consider creating your own passive income instead of relying on government benefits. Investing in a portfolio of dividend-paying stocks like **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) could help you generate a passive income that you can enjoy without a deadline or strict eligibility requirements.

BMO is the pioneering financial institution when it comes to dividends. One of the oldest and most successful banks in the country, it is a dependable company. It has remained the pinnacle of investor-friendly companies. With a dividend-payment streak unbroken for almost 200 years, it is a stock you can buy and hold forever.

While the pandemic devastated the entire stock market, [BMO managed to fare better](#) than expected during the pandemic. The initial sell-off frenzy saw BMO shares fall 50% from peak to trough, but it managed to recover much quicker than analysts or investors expected. Despite all the financial pressure, BMO did not sacrifice its lengthy dividend-payment streak.

Foolish takeaway

With the CRA capable of taking away your CERB, creating your own passive income source through a stock like BMO would be a better option for any future financial crisis. The stock is trading for \$81.37 per share with a juicy 5.21% dividend yield.

I think BMO can be an ideal stock to use as the foundation of a solid dividend-income portfolio.

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