



Worried That CERB Is Ending? The CRA Has Some Good News!

Description

The entire world is going through an unprecedented and challenging time because of the pandemic and ensuing recession. Canadian citizens have been lucky that the government is taking measures to offer financial support to them during this time.

Millions of people lost their jobs due to lockdowns or other reasons related to COVID-19. While many people feared that they would have to dig into their hard-earned savings to take care of expenses, the government launched financial relief programs to help them get through this time without spending their savings.

If you lost your job due to the pandemic, you might already be collecting payments from the Canada Revenue Agency (CRA) through the Canada Emergency Relief Benefit (CERB) program. While the program has been a vital lifeline for millions, CERB will end in September.

CERB ends on September 26

The federal government recently announced that it has given [another extension to the CERB](#) program. It means that eligible Canadians can receive the \$2,000 for an additional four-week period. The program's total limit is now 28 weeks, and it brings up the total to \$14,000 that you can receive through the program.

The final period of CERB is between August 30 and September 26. The government is encouraging people to return to work whenever they can instead of purely relying on CERB. However, it will be challenging for many people to find jobs, even with the gradual reopening of economies across the country.

The government will not leave CERB recipients without support after CERB ends.

What should CERB recipients do after it ends?

The government is currently updating Employment Insurance (EI) benefits to accommodate the drastically different landscape right now. The government is enacting several changes from increasing the amount people can receive through EI to changing requirements that allow more people to qualify for the benefit.

EI is essentially based on hours that a professional worked in the previous year. As the pandemic limited people's capacity to work, the applicants can apply for EI benefits with as little as 120 insurable hours. The low threshold is retroactive to March 15, 2020. It means anybody who might not have been eligible for EI due to various reasons considering the previous rules can now qualify for the benefit.

CERB recipients will automatically shift from the program to [EI benefits](#) on September 27 and receive a maximum benefit of \$573 per week for up to 45 weeks.

Creating a permanent lifeline

While CERB was a necessary lifeline, it was nothing more than a temporary measure. I believe that it is better to create your own passive-income source that can provide you with continual income without an expiration date. Ideally, you can achieve this by creating a portfolio of dividend-paying stocks in a Tax-Free Savings Account (TFSA).

A stock like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) can be a perfect equity to begin building such a portfolio. Fortis is a utility sector operator providing gas and electricity distributions to its customers across the country and beyond. Its essential services entitle the company to continue generating revenue no matter how bad the economy gets.

Fortis also pays its shareholders a piece of its profits through dividends. It has a dividend-growth streak that has lasted for 46 years, making it a Canadian Dividend Aristocrat. Most of Fortis's income comes through highly regulated and long-term contracts. It means that Fortis can keep financing its growing dividends without financial problems.

At writing, the stock is trading for \$53.12 per share, and it has a decent 3.60% dividend yield.

Foolish takeaway

The new and improved EI is certainly good news for Canadians as CERB ends. However, it is always better to have an income source that does not rely on eligibility criteria or has an expiration date. I think creating a dividend-income portfolio in your TFSA can give you a permanent lifeline on your terms. Fortis could be an ideal stock to begin building such a portfolio.

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