Was Your CRA CERB Delayed? This Could Be Why

Description

Millions of CERB recipients got an unpleasant surprise. The CERB payment, which is usually transferred within 48 hours of reapplying, got delayed. It wasn't a significant delay, and if the CRA's committed timelines are considered, they weren't delayed at all. But the stray from the usual pattern scared many CERB recipients. Some of them might have thought that the benefit ended prematurely.

The government was already dealing with some challenges associated with extending the CERB. On top of that, CRA had to place more stringent due diligence measures to ensure that payments are going to the right accounts.

These measures were deemed necessary because of many reported issues of fraud, where Canadians who hadn't applied for the benefit received CERB. Also, account information of about 5,500 was changed/compromised in a series of cyberattacks on the CRA. And the new measures were imposed to ensure that the people who applied for and need the CERB are the ones receiving the payment.

If your payment got delayed, that's not cause to worry, especially if you have other income sources or emergency reserves to fall back on. If you don't, it's high time you start investing and developing another income source.

A banking stock

Bank stocks have been trading at a discount for a few months now. Even the Big Five are struggling to regain their pre-pandemic valuations. So, if you want to add a banking stock to your portfolio, especially for a dependable dividend income, it's an excellent opportunity to buy **Toronto-Dominion** (TSX:TD)(NYSE:TD) — the prince of the Big Five. It is a robust dividend stock which currently offers a juicy 4.9% yield.

The dividend-growth history is decent enough, and the bank has increased its payouts by 55% since 2016. Its capital growth prospects aren't as bright. Still, thanks to its standing in the sector, geographical diversification, and a strong balance sheet, chances are that dividends keep growing at a decent pace.

You can either use the dividends as a source of passive income (if you are investing a hefty amount) or reinvest them back in the bank. The latter would help you when the bank finally recovers and regains its pre-pandemic valuation.

A dividend & growth stock

Pembina Pipeline (TSX:PPL)(NYSE:PBA) is another aristocrat, which, along with other energy sector aristocrats, is currently trading at a discount and is adequately undervalued. The stock offers a mouth-watering yield of 7.76%, with a dangerously high payout ratio of 139%.

And the only support to the idea that the company will be able to sustain its dividends is the fact that from 2014 to 2017, the company increased its dividends, even when the payout ratio was higher than what it is now.

But a strong dividend history isn't the only reason to recommend this stock. The company grew its market value (and investor capital) at a decent pace from the start of 2016. The energy sector is currently being brutalized by the low demand, but once it stabilizes, the stock might offer capital growth along with the dividends as well.

Foolish takeaway

Your goal should be to save and invest enough money to sustain yourself for a few months, even if you lose your income. CERB has been a blessing, but what would have happened if the government left its people on their own? That's the question you should ask yourself, and that's what should drive you to save and invest more.

CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:TD (The Toronto-Dominion Bank)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:TD (The Toronto-Dominion Bank)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Sharewise
6. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks
3. Energy Stocks
4. Investing

Date
2025/08/29
Date Created
2020/09/16
Author
adamothman