



CRA: Can Immigrants Get the \$900 CRB?

Description

The Canada Revenue Agency (CRA) is accepting applications for the first two weeks of the Canada Recovery Benefit (CRB). If the CRA accepts your application, it will credit \$900 into your account within three to five business days. The CRB is a Canada Emergency Response Benefit (CERB) extension that people without Employment Insurance (EI) can avail of. There are many queries around who can apply for the CRB. While Canadians are eligible, are immigrants also eligible for the CRB?

Can immigrants get the CRB?

The CRB eligibility criteria [states](#), if you are living in Canada and have a home here, you can apply for the CRB. You need not be a citizen or permanent resident of Canada. Even if you are an immigrant, you can get a CRB only when the below conditions apply to you:

- You are above 15 and have a Social Insurance Number (SIN).
- You have been working and earning a living in Canada either through a job or self-employment. But you must have lost your job or had to take a 50% pay cut because of COVID-19, not because you quit.
- You should have earned at least \$5,000 in 2019 or the last 12 months.
- The CRB aims to help people return to work. Hence, you have to be actively searching for a job and not refuse decent work.

The Justin Trudeau government launched the CRB to help those people who depend heavily on their paycheck to make ends meet, and the pandemic has taken away that paycheck from them. The CRA believes that if you voluntarily quit or reduced your working hours, then you can afford to pay your bills even at reduced pay or without a job. This is possible if you have a passive income source where the money works for you.

Make passive income your lifetime CRB

The CRA is giving \$1,800 a month in CRB to help unemployed people pay their bills and buy groceries

while they search for a job. There are no free lunches. The CRA will levy a tax on your CRB payment. The CRA can even take back your CRB if your annual income exceeds \$38,000. But that is something to worry about in March 2021 when you file your 2020 tax returns.

The CRB comes with all these flaws. But there is one benefit which is better than CRB, and that is passive income. The CRA can't take away your passive income from you. And if you earn this passive income from Tax-Free Savings Account (TFSA), you need not worry about taxes.

If you have been investing \$5,000 every year in the TFSA since it began in 2009, you would have at least a \$55,000 contribution in your account. If this money was invested in a security that gave 5% annual returns, you would have around \$74,000 in your TFSA.

How to earn passive income

In the pandemic crisis, the stock market has taken a twist. The **TSX Composite Index** was skewed towards financial and energy stocks, but the pandemic has shifted the weight toward tech stocks. The pandemic has hit the economy hard, and all good dividend stocks have plunged to their multi-year lows, creating a perfect opportunity to lock in juicy dividends for a lifetime.

Diversify your \$74,000 in your TFSA among dividend and growth stocks and make the most of the current market environment. Invest \$32,500 each in **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) and **RioCan REIT** ([TSX:REI-UN](#)). These two stocks are [beaten down by the pandemic](#) but have more than an 8% dividend yield. These firms are facing reduced demand, which has lowered their cash flows. Investors fear that lower cash flows would force these companies to halve their dividends like **Suncor Energy** and **H&R REIT**.

But investors' concerns are overblown. Both Enbridge and RioCan are still earning strong positive cash flow, which is sufficient to pay the current level of dividends. These overblown concerns have increased its dividend yield to 8.3% and 9.8%, respectively.

This converts to \$5,800 in annual dividend income or \$490 in monthly income on a \$65,000 investment. If Enbridge continues its 25-year dividend tradition of increasing dividends every year, this monthly income could increase to \$770 in 10 years.

CATEGORY

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

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:REI.UN (RioCan Real Estate Investment Trust)

PARTNER-FEEDS

1. Business Insider
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