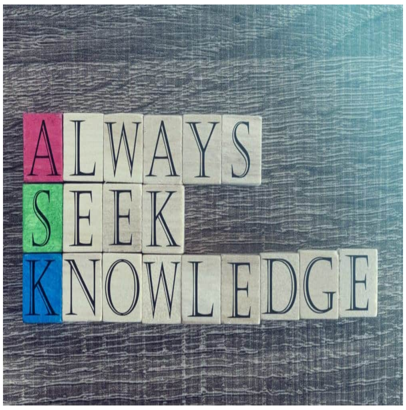

CRA Caution: 3 Ways They Can Take Back Your $2,000 CERB!

Description

The Canada Revenue Agency (CRA) has not announced any further extensions to the Canada Emergency Response Benefit (CERB). CERB officially ended on September 27, 2020, and it was replaced by alternatives like the Employment Insurance (EI) program and the Canada Recovery Benefit (CRB).

However, it does not mean your CERB is entirely safe in your account. If you have received CERB money from the CRA, there is still a chance where you might have to return your funds. The $2,000 per month payments were mistakenly made to many Canadians who did not qualify for the benefit and applied anyway.

Today I will discuss three ways the CRA can take back your $2,000 per month CERB money.

CERB qualification

CERB was introduced to help millions of Canadians who lost income due to COVID-19 lockdowns. The CRA outlined qualification requirements that applicants needed to fulfill so they could collect the fund. If you do not meet the criteria, the CRA will likely come knocking to collect the money.

Three of the factors include:

- You must not have earned more than $1,000 in the last 14 days before your CERB application.
- You must have earned at least $5,000 in the 12 months before applying.
- You must not have been rehired under the Canada Emergency Wage Subsidy (CEWS) program.

If you received CERB without qualifying for the benefit, the CRA could take back some or all of the money you received.

Create a permanent passive income stream

It would be better to create your own passive income stream instead of relying on government programs that could ask you to refund the money. The best way to make passive income is by using your Tax-Free Savings Account (TFSA) to create a portfolio of dividend stocks.

A portfolio of dividend-paying stocks like **Fortis Inc.** (TSX:FTS)(NYSE:FTS) can supplement your TFSA account balance and grow your wealth tax-free. You can use the dividend income as a passive and tax-free income source since the CRA does not charge withdrawal fees or count your TFSA capital growth and dividends as taxable income.

Fortis is an ideal stock to consider due to its reliable payouts. The underlying company behind the stock is a utility sector operator that can continue generating predictable cash flow to finance its dividend payouts. No matter how bad the economy gets, Fortis can continue making money due to the essential nature of its service.

The company provides utility services to customers across the country and beyond. Its ability to generate stable income makes it a staple addition to many types of investment portfolios. Additionally, Fortis boasts a 47-year dividend growth streak. It means that the company does not just pay you consistently; it also keeps increasing its payouts. The dividends can keep pace with inflation and boost your passive income over time.

Foolish takeaway

The CERB and its alternative programs have been a vital lifeline for Canadians affected by COVID-19 lockdowns. However, it would be wise to invest in a portfolio of stocks that can provide you with dividend income, so you don't have to rely on government programs for income in case of future financial crises.

Fortis could be an ideal stock to begin building such a portfolio.

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