ALERT: The CRA Can Take Back Your Emergency $2,000 CERB!

**Description**

When Canadians were facing the loss of income or a reduced income during the pandemic, the CRA came to their rescue with the CERB. But not all the people who received the CERB were deserving of it. Many people made fraudulent claims, while some received the CERB mistakenly, even when they didn't apply or qualify for the benefit payment.



At the peak of the pandemic, when people needed it most, the CRA prioritized reaching as many people as possible to ensure that no one (qualified/deserving) was left out. But as months passed and the economy started recovering, the CRA began to encourage people to look for jobs and rejoin the workforce instead of relying upon benefit payments.

Still, a lot of people kept re-applying for the CERB. So, the government shut it down and moved people to the EI and CRB, hoping these new programs would ensure that people would receive benefit payments *only* after they've made every effort to find work. That doesn't mean the CRA has forgotten about the people who abused the CERB.

## Reasons for taking back the emergency payment

There are a few reasons why the CRA might come knocking (or send an email) for the $2,000 you "mistakenly" received. You might have applied for the CERB without being qualified and got it anyway. Ideally, you should've sent it back soon after realizing your mistake. Similarly, if you claimed the CERB benefit based on a reduced income but managed to earn more than the minimum threshold for that period, your payment might be forfeit.

Many people, especially in the early days of the CERB, got payments from both the EI and the CRA. That's another payment the CRA can take back from you. An excellent way to go about it is taking a proactive approach and contact the CRA for the repayment before they get you.

## What can't the CRA take back?

What the CRA can't take back (or even take a single piece of) are your TFSA savings/investments. Whatever funds you have growing in that tax-free environment are yours to keep. One stock that can be a good addition to your TFSA would be **Firm Capital Mortgage Investment** (TSX:FC). It's a $355 million market cap company that offers residential and commercial real estate financing.

The company earns interest over the mortgage loans it furnishes, and its investors earn from the monthly dividends it produces. The company is offering a very juicy yield of 8% at a mildly dangerous payout ratio of 101%. It's not that big a cause for concern because, for the last five years, the company has sustained its dividends at a payout ratio above 94%.

With an amount equivalent to just one year's contribution limit: $6,000 invested in the company, you can get $40 a month in dividend income. That might not seem a lot, but it's enough to pay back your original investment within 13 years — or sooner if the company decides to raise its dividends.

## Foolish takeaway

Even a small amount of cash can become a powerful and sizable nest egg if you put it to good use. You can use a dividend stock in your TFSA just to collect some money for an emergency reserve, or you can periodically invest it in other stocks. Either way, that's the money that the CRA can't touch. And if you have enough of it, you won't have to rely on government benefits like the CERB.



**CATEGORY**

1. Coronavirus
2. Dividend Stocks
3. Investing

**POST TAG**

1. Editor's Choice

**TICKERS GLOBAL**

1. TSX:FC (Firm Capital Mortgage Investment Corporation)

**PARTNER-FEEDS**

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

**Category**

1. Coronavirus

2. Dividend Stocks
3. Investing

**Tags**

1. Editor's Choice

**Date**
2025/07/19
**Date Created**
2020/10/28
**Author**
adamothman