



## Hooray! The CRA Had 3 Different Emergency COVID Benefits in 2020

### Description

The federal government in Canada took decisive actions during the height of COVID-19 and continues to provide financial assistance to the millions who remain unemployed in the [recovery phase](#).

The Canada Revenue Agency (CRA) is the busiest government agency and doing a remarkable job of dishing out emergency COVID benefits in 2020. Displaced workers are privileged to receive three crucial payouts that fill up income gaps due to the pandemic.

### 1. CERB

People will never forget the Canada Emergency Response Benefit (CERB) because [the original](#) always has the most lasting impact. CERB was the flagship program of the government's COVID-19 Response Plan.

According to the Parliamentary Budget Officer (PBO), the final estimated cost is \$76.7 billion, net of the eventual personal income tax payments. CERB run for 28 weeks, and an individual recipient would have received \$14,000 in total (\$500 per week).

### 2. Enhanced EI

The estimate is that four million Canadians would still need federal income support after CERB, the government increased access to Employment Insurance (EI). The transition began on September 27, 2020, with about 2.8 million people expected to meet the relaxed eligibility rules.

If you're eligible for EI, the taxable benefit is also \$500 per week and \$300 per week for extended parental benefits. For EI claims due to job loss, the total payments are for at least 26 weeks.

### 3. New CRB

For Canadians who will not qualify or can't transition to EI, the Canada Recovery Benefit (CRB) is the new pandemic lifeline. Employment and Social Development Canada officials estimate around 890,000 individuals to apply for CRB over the next year.

The taxable benefit is \$500 weekly, same as CERB and EI, but the payments are every two weeks. CRB has 13 eligibility periods, beginning September 27, 2020, to September 25, 2021. However, the CRA will already deduct the 10% tax upon release. Thus, the actual payment is \$900 or a maximum net amount of \$11,700 for 26 weeks.

## More financial cushion

Canadians with excess funds can create more financial cushion by allowing their money to work for them. Dividend investing is the most straightforward strategy to earn passive income. You need to pick a safe dividend stock for an uninterrupted income stream.

I highly recommend **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) because it's a Dividend Aristocrat and defensive all-star rolled into one. If you desire staying power and a true-blue recession-resistant asset, it can't get any better. You would own shares of North America's leading utility company whose assets are 97% regulated.

The \$24.45 billion company takes care of the electricity and power demand in the region, including end-users in four Caribbean countries. Fortis derives more than 90% of its total earnings from regulated utilities. The company has been generating stable cash flows for 135 years.

Currently, the dividend offer is a decent 3.84% dividend. Buy \$50,000 worth of shares and never sell to earn a lifetime income of \$1,920. In 20 years, your capital will be worth \$106,234.01. The good news is that Fortis plans to grow its dividends by 6% annually through 2024.

## Three cheers for the CRA

CERB was a resounding success, and the enhanced EI and new CRB should be equally successful. Three cheers for the CRA for prioritizing the economic welfare of Canadians.

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