



## Canada Revenue Agency: Here's What Can Happen if You're Unable to Pay Back CERB

### Description

The Canada Emergency Response Benefit (CERB) ended in October, but the government is still trying to clean up what's been a complicated process right from the start. With some people receiving CERB payments twice by applying through multiple portals, some recipients will have to [pay back money to the government](#). And there are also those recipients who may have been paid CERB who weren't eligible, either.

It's no small task for the Canada Revenue Agency (CRA) — one that's likely to take time. But regardless of how long it takes or whether the overpayments were accidental or not, the CRA is going to eventually come asking for any money that it's owed.

Nearly 900,000 repayments have already been made by Canadians back to the CRA.

### What if you don't have the money?

The burning question many people in that situation may be wondering is what will happen if they're not able to make the payments. The CRA recently told *Yahoo Finance Canada* that it "makes every effort to work with taxpayers to resolve their debt, but should we be unable to reach a mutually satisfactory payment arrangement, collections measures such as applying future credits and refunds to debts, or taking legal action such as garnishment may be required."

### Even if you don't have the money today, now may be a good time to start saving

Although it may be intimidating to get a request from the CRA asking for money, the agency is willing to work with people to help pay down any debts that they owe. And if you're in the situation where you don't have the money that you believe you may have to pay back, that can be a good excuse to start putting money aside.

A great place to store that money so that you're not tempted to spend it is in a Tax-Free Savings Account (TFSA). If you've got contribution room, then you can even invest money there into an exchange-traded fund (ETF) like **BMO Nasdaq 100 Equity Hedged to CAD Index ETF** ([TSX:ZQQ](#)). With the markets soaring right now, it can be a way to help boost your savings. The ETF is up over 35% this year while the TSX has declined around 1%.

The Nasdaq 100 ETF is a great default option I would recommend to anyone looking to invest in something safe and that's likely to grow in value over the years. Holding the top tech stocks in the world, the fund has been a solid investment, rising 140% over the past five years, dwarfing the TSX's 26% returns during the same timeframe. Investing in the fund can take the guesswork out of trying to handpick individual stocks, and doing so will also minimize your overall risk, since your investment will be more diversified. The ETF pays a [modest yield](#) of 0.4%, but with an expense ratio of just 0.35%, it's a cheap way to secure a solid investment that's likely to rise over the short and long term.

If you do end up needing to pull the money out to pay the CRA, you can do so easily knowing that there won't be any withholding taxes or fees on any withdrawal made from a TFSA.

## CATEGORY

1. Coronavirus
2. Investing

## TICKERS GLOBAL

1. TSX:ZQQ (Bmo Nasdaq 100 Equity Hedged To Cad Index ETF)

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