



Caution! The CRA Can Deny Your \$2,000 CRB Application if You Do This 1 Thing Wrong

Description

The Canada Revenue Agency (CRA) started receiving the Canada Recovery Benefit (CRB) applications on October 12, 2020. While the first period begins on September 27, 2020, income support is retroactive. Thus, you can still apply to receive the two-week relief for the initial eligibility period.

However, before filing your first CRB application, determine if you meet all eligibility criteria. The CRA is more guarded now when [processing claims](#). A fraud alert is still on, especially on COVID-19 benefits. The Canadian Anti-Fraud Centre (CAFC) reminds Canadians to be vigilant because identity theft and other forms of fraud are prevalent as the pandemic continues.

Beware of fraudulent claims

The CRA can deny your application for the \$2,000 per month CRB if you make a fraudulent claim. There's a long list of known COVID-19 scams, and the number is high from the Canada Emergency Response Benefit (CERB) and Canada Emergency Student Benefit (CESB).

The vigilance of taxpayers is the key to deterring fraudsters. You might receive a phone call, text message or e-mail from a person claiming to be from the CRA. These fraudulent communications will request personal information such as a social insurance number, credit card number, bank account number, or passport number.

Other instances of rejection

CRB provides eligible recipients \$900 (10% tax withheld from \$1,000) for a [two-week period](#). If your situation is unchanged after two weeks, you need to re-apply. You may apply up to a total of 13 eligibility periods (26 weeks) between September 27, 2020, and September 25, 2021.

The following are other instances the CRA can reject a CRB application or demand repayment of the

benefit:

- You applied for CRB and found out later that you're not eligible
- Received payment in error
- Got one of the following for the same eligibility period: a) Canada Recovery Sickness Benefit (CRSB); b) Canada Recovery Caregiving Benefit (CRCB); c) Employment Insurance (EI) benefits; d) Short-term disability benefits; e) Workers' compensation benefits; and f) Québec Parental Insurance Plan (QPIP) benefits

Defensive income stock

The 2020 pandemic highlights the importance of having an emergency fund. If your finances allow, seize the moment to create a more lasting financial cushion. Investing in **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), for example, will enable you to receive a recurring income stream, not just for a year. This top-notch stock has raised its dividends for 47 consecutive calendar years.

Fortis belongs to the prestigious dividend all-star list. Currently, this \$25.26 billion electric and gas utility company pays a 3.72% dividend. The yield is not the highest on the **TSX**, but the payouts are safe and sustainable. Your \$30,000 will generate \$1,116 buffer.

The good news for current and would-be investors is that Fortis plans to increase the dividend by 5% yearly until 2025. Predictable cash flows and visible dividend growth are compelling reasons to invest in this defensive income stock.

Prepare for an extended recession

Imagine a scenario where there's no CRB or CERB during the crisis. Also, the coronavirus outbreak is not an ordinary rainy day. It could extend until further notice that recovery could take longer. It would be best to have an extra income source in preparation for an extended recession.

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Date

2025/07/04

Date Created

2020/11/18

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