



## CRA to 213,000 Canadians: Time to Pay Back the CERB

### Description

Ever since the CERB started, there have been indications that the CRA would demand that people repay the benefit. Between “snitch lines” and strongly worded statements to the media, the signs have been plentiful.

Today, we’re beginning to see the CRA move forward with collecting the money.

Just recently, the agency announced that it was going to call on 213,000 Canadians to repay the CERB. It clarified that bills wouldn’t come due until after the pandemic ended, but was already issuing letters to those it sought payment from. It’s the first major enforcement action we’ve seen since the [snitch line](#) was rolled out. And it’s only going to accelerate.

### Why the CRA is calling for repayment

There are many reasons why the CRA would seek to take back the CERB from someone who received it:

- The recipient being ineligible.
- The money having gone to the wrong person.
- Double payment.

The last item on that list is what the CRA is going after now. In a statement to the *CBC*, it said that it was pursuing 213,000 Canadians who received more than one CERB payment in a single payment period. That’s not huge as a percentage of all CERB recipients. But it’s enough people that the money recovered could be measured in billions of dollars.

### How to tell if you’re likely to be impacted

If you're worried that the CRA is going to demand your CERB, you have the right to be. There was always a blanket of uncertainty surrounding CERB eligibility, and it continues to this day.

For this particular round of repayment demands, the standard is pretty simple:

*Did you receive more than \$2,000 in CERB money in a single month?*

Right now, it's mainly double payments that the CRA is going after. There is no broad review of all CERB payments, as [MP Peter McCauley](#) called for last week. Not yet, anyway. The CRA has said from the beginning that it would actively pursue repayment from every ineligible CERB recipient. So we may expect that the current round of repayment demands will expand to more than just those who received double payments.

## A parting note

If the CRA's demands for CERB repayment concern you, then now would be a good time to start thinking ahead. COVID-19 will end some day, but it's guaranteed there'll be more crises in the future. You want to get yourself in a position where you *don't* need to take CRA benefits in such crises.

A great way to get a start on that is by holding ETFs like the **iShares S&P/TSX 60 Index Fund** ([TSX:XIU](#)) in a TFSA. Dividend-paying ETFs produce cash income, typically paid quarterly (four times per year). If you build a large enough position in such an ETF, you could eventually receive a sizable income supplement every year. Through this year, XIU has yielded between 2.5% and 3%. That means you could have received between \$2,500 and \$3,000 on a \$100,000 investment. That's more than enough to replace two CERB cheques.

Maybe you don't have \$100,000 to invest in ETFs like XIU now. But by adding \$10,000 in savings every year, you could get there. Eventually, you'd have a tax-free passive income stream that could limit the need for benefits like the CERB.

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