



Canada Revenue Agency Warning: Some Canadians May Have to Repay CERB Amounts

Description

The Canada Revenue Agency (CRA) recently noted its intention to warn approximately 213,000 Canadians that were inadvertently paid twice during the CERB (Canada Emergency Response Benefit) program that they'll need to pay the amount back. Those who've received [overpayments](#) should set the amount aside before the CRA has a chance to begin taking on the role of debt collector.

If you spent the CERB overpayment amount and are worried about getting dinged by the Canada Revenue Agency, don't worry. There's still time to save up the overpayment amount, as a spokesman for the CRA recently stated that warning letters to affected Canadians do not require immediate payment.

Did you receive CERB overpayments? The Canada Revenue Agency wants its money back

With another wave of COVID-19 cases sweeping the nation, we're likely to experience a dark winter. And given a lack of specifics regarding Canada's own vaccine timeline (both the U.S. and U.K. are ready to rollout their vaccines), I think Canadians have several months to save up and set aside cash to pay back for any inadvertently spent CERB overpayments.

With U.S. indices recently climbing to hit a fresh all-time high, I'd say now is as good a time as any to do a bit of profit-taking while the bears have gone into hiding. While vaccine optimism and the favourable U.S. election results are a massive deal, I think the market has extended itself after having rallied over 11% in just over three weeks.

We've still got a terrible winter to get through, and if Canada is unable to rollout their vaccines until months after the U.S. does, various Canadian stocks could be due to fall under pressure. Ultimately, I think any such short-term dips in stocks will be buyable. But, of course, if you owe the Canada Revenue Agency money, it's ill-advised to dig yourself deeper into debt, even if you spot incredible bargains on the **TSX Index**.

Sell some of your hotter stocks while they're still up to be ready once the Canada Revenue Agency comes knocking!

If you've received a letter from the CRA or are expecting one, it's time to do some selling, especially if you're holding a high-beta name that could feel the full force of the next market-wide correction. If your portfolio owns stocks like **Shopify**, it's time to do some trimming of an amount that's enough to get you out of hot water once the Canada Revenue Agency finally comes knocking.

I think the vaccine-driven rally has overstretched itself, and the markets could be in a fragile spot in December. I wouldn't at all be surprised to witness a 10% correction next month, as the market has a chance to fully digest the good news (coming vaccines) with the bad (uncontrollable second wave of COVID cases).

Shopify is a name that could get [absolutely pummeled](#).

Although I am bullish on the firm's growth outlook, diminishing pandemic tailwinds and the nosebleed valuation, I believe, are at high risk of being corrected over the coming few months. If you've made big money off your CERB cash, it's time to play with the house's money if you're expected to have to pay-up excess payments to the Canada Revenue Agency.

Foolish takeaway

There's no telling what deadlines the CRA will set with regards to CERB overpayments. As such, you should raise some cash from your investments while the market is hot, rather than run the risk of having to sell after a drastic, potentially short-lived correction.

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