



CRA: 213,000 Canadians Have to Pay Back CERB

Description

The Canada Revenue Agency (CRA) introduced emergency measures to keep families afloat during the crisis. While the stimulus programs were swift and popular, they were also rushed and needed some adjustment. Of course, the government knew it could address these flaws and errors later. One such error has emerged in the Canada Emergency Response Benefit (CERB) program.

According to the CRA, nearly 213,000 Canadians may have received a double CERB payment. That means at least 2.6% of total CERB applicants may have received more money than they were eligible for. If you're part of this cohort, or simply want to know what the [CRA can do to claw back this overpayment](#), here's what you need to know.

CRA reclaims CERB

The CERB program was created and deployed in a matter of weeks. At the time, the government's top priority was to avoid financial distress and stymie the pandemic at the earliest. However, this rush to send money to people created several loopholes.

One such loophole was the fact that citizens could apply for CERB at [two government agencies](#) – the CRA and Service Canada. Over 213,000 citizens sent their application to both agencies and thus received payments twice over.

There's no doubt that this is an honest mistake, both from the applicant and government's perspective. However, the CRA now needs this cash back. Applicants who were overpaid must return the extra amount by December 31. Failing to do so could mean that the amount will appear on the T4A tax slip.

Spent the money?

The CRA says it will negotiate with individual taxpayers who have been overpaid. Arrangements can be made based on their ability to pay. So if you've been overpaid CERB and have spent it all, it may be a good idea to reach out to the agency.

However, if you've only spent a small amount, you could regain that lost value by investing in robust stocks. A stock like **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)), which is up 152% over the past year, could help you generate the couple hundred dollars you need to repay the CRA.

The last three months of the year are Shopify's best season. People start buying Christmas gifts as early as October, and events like Black Friday and American Thanksgiving spur sales even further. Shoppers like me wait for special deals on Boxing Day. All that shopping needs to be done online this year, which means Shopify is nearly certain to break a new record.

Over the past five days, Shopify stock is up 4.2%. In any given month, the stock could jump 5% to 10% easily. So, if you spent a portion of your CERB payment that you need to repay to the CRA, Shopify stock could help you generate it.

Of course, Shopify is also an excellent long-term bet. Even if you don't owe the CRA and have plenty of cash on hand, this stock deserves a spot on your portfolio.

Bottom line

Some 213,000 Canadians may have to repay their extra CERB payments by the end of the year. The CRA is willing to negotiate flexible terms if you can't repay the full amount. But investing your spare CERB in sturdy growth stocks like Shopify could be another way to cover lost ground.

CATEGORY

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