



## Hooray! The CRA Provided These \$27,000 Crisis Payments in 2020

### Description

A Canadian worker displaced by the pandemic and is eligible to receive the Canada Emergency Response Benefit (CERB) would receive a total of \$14,000. If the situation is unchanged after September 27, 2020, a CERB recipient who [can't transition to Employment Insurance \(EI\)](#) could apply for the Canada Recovery Benefit (CRB).

CRB is one of the three new measures introduced by the federal government to replace CERB. The recovery benefits cover three broad circumstances, although CRB is more or less the direct replacement. People with sick leave concerns and care-giving duties have separate benefits.

The Canada Revenue Agency (CRA) administers both COVID-related programs. With \$13,000 from CRB, an individual recipient could receive up to \$27,000 in crisis payments in 2020 and until 2021.

### Retroactive CERB applications

CERB has officially ended on September 27, 2020, although the CRA is still accepting and processing retroactive applications until December 2, 2020. The window is currently open for the following eligibility periods:

- Period 1 – March 15 to April 11, 2020
- Period 2 – April 12 to May 9, 2020
- Period 3 – May 10 to June 6, 2020
- Period 4 – June 7 to July 4, 2020
- Period 5 – July 5 to August 1, 2020
- Period 6 – August 2 to September 26, 2020 (final eligibility period)

The CRA will stop CERB payments if a claimant reaches the maximum of seven eligibility periods (28 weeks). CERB is a taxable benefit, but each recipient received the amounts in full (gross of taxes).

## CRB eligibility periods

Unlike CERB's four-week period, a CRB eligibility period is a specific 2-week period. When you apply for this taxable benefit, the CRA will deduct a 10% tax upfront. Hence, an eligible claimant will receive \$900 after taxes.

CRB does not renew automatically. You must apply for each period separately, provided you still meet [eligibility requirements](#). The CRA began receiving CRB applications on October 12, 2020. There are 13 eligibility periods, starting from September 27, 2020, to September 25, 2021.

The CRA is now in the fifth period (November 22 to December 5, 2020), but don't worry if you missed the previous periods. You may apply retroactively for any period **up to 60 days after** that period has lapsed. The payments stop when you reach the maximum of 26 weeks.

## Monthly passive income

The combined CERB and CRB are substantial income support during the 2020 health crisis. Assuming you have \$27,000 "free" money to invest, you can generate an additional financial cushion from a high-yield dividend stock. **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)), an energy stock, pays a 7.4% dividend.

You can purchase nearly 793 shares (\$34.07 per share) with the money and produce \$1,998 in extra income. Since Pembina pays monthly dividends, it amounts to \$166.50 per month. The stock is still losing by 24% year to date, but it has rallied 119% from its COVID-low of \$15.55 on March 18, 2020.

Pembina Pipeline reported decreases in revenue (8%) and net income (14%) in Q3 2020 compared with Q3 2019. Despite the top and bottom-line declines, the business can stay resilient. The transportation and midstream services provider derives revenue from long-term, fee-based contracts. There's no volume or price risk, too, because 72% comes from cost-of-service or take-or-pay agreements.

## Lead COVID-19 programs

Canada has been rolling out several COVID-19 emergency packages since the coronavirus outbreak in March. The CRA's CERB and CRB have the largest allocations. If you're a recipient, use the pandemic money for its intended purpose.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:PPL (Pembina Pipeline Corporation)

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