



Beware! The CRA Can Still Take Away Your \$14,000 CERB

Description

Emergency situations require swift and rapid response, and that's what the CERB was: the government's rapid response to the financial problems caused by COVID. Since the government needed to move fast, it focused more on getting the payment to all that needed it instead of vetting recipients. So, it's understandable that out of millions of recipients, some received the payment even when they weren't eligible.

If someone received a CERB benefit payment when they didn't qualify, and they think that now the CERB is over and the CRA won't chase them for a discontinued program's payment, they are wrong. The CRA can still take away your CERB, and the department has announced some of the reasons why you might need to pay back the benefit payment.

The income threshold

If you received payment for a CERB period, but you also got reinstated on your job with retroactive pay or got an income sooner than you expected, you may need to pay back the CERB. In this scenario, you might have been qualified when you applied, but your financial situation changed midway, so you can't hold on to the CERB payment.

If you received the CERB for any such period, you should send back the adequate amount. Even if you can't pay back right away, it might be a good idea to contact the CRA and explain your situation to them. It's better than being tracked down and penalized.

Ineligibility

If someone applied for and received the CERB payment and later realized that they are not actually eligible, they also need to send the payment back. Keeping the payment because they think that it's the CRA's job to vet the application and they are to carry the blame for this mix-up is a dangerous line of reasoning. It's a good idea to send just the undeserved CERB back as soon as you can, lest it gets penalized and you need to pay a heftier amount.

Dual pay

It was a common issue when the CERB began. Many people applied and received the CERB from both the CRA and Service Canada. These payments need to go back as well. The CRA warned recipients, and many sent one of their dual payments back soon after receiving them. But some people are still holding on to those payments.

Alternative benefit payment

While the CRB and the EI are CERB's alternatives, if you are still unable to find a job, a much better alternative would have been your own savings. And you need to [grow your savings](#) by investing, maybe in a dividend aristocrat like **Pembina Pipeline** ([TSX:PPL](#)) ([NYSE:PBA](#)). This energy aristocrat hasn't slashed its dividends and is currently offering a juicy 7.23% yield.

The payout ratio is quite high, but the company has a history of sustaining its dividends through worse. The stock also offers decent capital-growth potential, but the share price might have a hard time growing for a while yet. The whole energy sector is struggling. Even though Pembina's income and, subsequently, its dividends are relatively safer thanks to its [business model](#), it's still being rocked by the headwinds buffeting the sector.

Foolish takeaway

The CERB helped millions of people. Most of those people deserved the payment and applied for the CERB, because they truly needed it. But some abused the system, either knowingly or unknowingly. Now that the worst is hopefully behind us, the CRA will chase down fraudulent and unqualified CERB payments.

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Author

adamothonman

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