



## \$14,000 CRA CERB: Did You Know You Have to Pay Taxes for It?

### Description

Canadians who lost income due to COVID-19 found relief through the Canada Emergency Response Benefit (CERB). If you collected CERB money from the Canada Revenue Agency (CRA), I would advise that you take a closer look at your tax slip.

CERB is a taxable benefit that will count as part of your taxable income year. When the tax filing season comes around in 2021, CERB recipients will have to fork up taxes. People received the \$2,000 per month taxable benefits without tax deductions or withholding tax at the source.

If you were aware of the tax implications of CERB, you might have set aside some of the money for tax payments.

### Monumental income support program

The \$2,000 per month CERB payments proved to be a monumental lifeline for Canadians suffering from financial hardships due to the pandemic. The federal government extended the program twice to combat the continuing hardships created by COVID-19.

Canadians who qualified for and collected the entire CERB amount would have received a total of \$14,000 in the 28 weeks. CERB was replaced by the [Canada Recovery Benefit](#) (CRB) and Employment Insurance (EI) benefits. Each of those is proving helpful in bridging the income problems until Canadians can find work again.

### Two certainties in life

Death and taxes are the two certainties in life, and you should prepare yourself, so you don't get any unpleasant surprises in the 2021 tax season. You might owe the CRA income tax for the CERB money you received this year. People who received CERB must include the amount as taxable income in their tax returns.

Suppose that you earned no other income in 2020 and received the full \$14,000 CERB. You might still owe taxes to the CRA. The basic personal amount for 2020 is \$13,229. It means that you may still be liable to pay taxes on \$771. I strongly recommend reviewing your earnings in 2020 to get an estimate of how much taxes you can owe. The total tax due depends on all your income sources, including CERB.

## Consider investing

The health crisis and its impact on your active income might be a wake-up call to create passive income sources or an emergency fund. It would be wise to consider investing some of your savings in income-generating assets that can provide you with consistent and growing returns. A stock like **Nutrien Ltd.** ([TSX:NTR](#))([NYSE:NTR](#)) could fit the bill for this purpose.

Nutrien is a producer of potash, phosphate, and nitrogen. These nutrients are essential for the farming industry worldwide to increase the yield of their crops. The business also has a retail business providing crop protection products and seeds to consumers. With the global population constantly increasing, the farming industry has more work on its hands to deliver.

The demand for crop nutrients should remain strong over several decades to help the farming industry keep up with the demand. Nutrien could make a valuable addition to your investment portfolio to help you achieve various financial goals.

## Foolish takeaway

There are no indications that the CRA will [extend the 2021 tax deadlines](#). It is crucial to prepare for the 2021 tax season well in advance. Additionally, it would be best if you focus on investing your savings to generate passive income. An income-generating asset like Nutrien could make an excellent asset to consider for this purpose.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:NTR (Nutrien)
2. TSX:NTR (Nutrien)

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