



CRA Crisis Cash in 2020: It Feels Good to Be Canadian

Description

It is safe to say that most people did not enjoy going through the ordeal that will go down in history as 2020. However, Canadians can say that it has never been a better time to be a Canadian, thanks to the government's monumental support during this unprecedented crisis.

Canadian workers displaced due to the pandemic have found some relief through the Canada Revenue Agency's (CRA) quick response to the health crisis. The CRA has helped millions of Canadians make the most of the situation using programs to disburse crisis cash.

The Canada Emergency Response Benefit (CERB) and the Canada Recovery Benefit (CRB) after it have been significant parts of the COVID-19 response by the Canadian government. Eligible recipients could receive up to \$27,000 in CRA crisis cash through these two programs.

The retroactive CERB applications

CERB was the first program started by the government. It ended on September 27, 2020. However, the CRA was accepting and processing retroactive payments for eligible applicants until earlier this month. The window was open until December 2, 2020, for several eligibility periods.

The CRA stopped providing CERB payments to applicants if they reached the maximum of seven eligibility periods (totaling 28 weeks). If you qualified for all the eligibility periods, you could have received \$14,000 from the government before taxes.

CRB eligibility till 2021

CRB was the CERB replacement that had similar payments per month but a different structure. Unlike the four-week periods, CRB entailed a two-week eligibility period for the [taxable benefit](#). The CRA also deducted a 10% tax upfront while distributing the payment.

The CRB requires applicants to apply again for each period if they meet eligibility requirements. An

individual can qualify for a maximum of 13 eligibility periods beginning from September 27, 2020, and ending on September 25, 2021.

If you have missed any of the CRB eligibility periods, you can apply for retroactive payments for those periods for up to 60 days after the period ends. Once you reach 13 eligibility periods (totaling 26 weeks), the CRB payments will stop.

Earn monthly passive income

The CERB and CRB can pay out \$27,000 gross of taxes. This is effectively free money that you can use to handle your expenses. I recommend trying to save some of the money to invest in a high-yield dividend stock like **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)).

The battered energy sector stock is trading for \$32.34 per share at writing. The valuation is almost a 40% discount from its share price before the pandemic-fueled sell-off. The stock is paying its shareholders at an inflated 7.79% dividend yield. Under normal circumstances, such a high dividend yield is alarming.

However, its dividends are relatively secure due to its resilient fee-based cash flows. The company has a portfolio of highly diversified and contracted assets that provide the cash flow. Additionally, the company has exposure to several contractual arrangements and commodities that position it well to generate reliable cash flows in 2021.

You can rely on the stock to provide you a juicy dividend that can keep growing your account balance.

Foolish takeaway

Canadians have benefitted from CERB and continue to enjoy CRB payments. Creating a portfolio of dividend-paying stocks can help you [earn passive income](#) that does not come with an expiry date. Pembina Pipeline could be a valuable addition to such a portfolio that can make you a wealthy investor in the long run.

CATEGORY

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