



## Attention: The CRA Says \$500/Week CRB Ends After 21 Periods

### Description

The Canada Revenue Agency (CRA) has updated its Canada Recovery Benefit (CRB) page. The update [reads](#), "You can no longer receive CRB payments after you have reached the maximum of 21 periods (42 weeks)." Does this mean that the government's proposal to extend the CRB to 50 weeks, with the last eight weeks paying \$300/week, stands amended? You will have to wait till [July 17](#) to find out. That is the date when the \$300 CRB becomes active, as per the proposal.

### About the \$500/week CRB

Canada's unemployment rate was 8.2% in May as compared to 8.1% in April. In the budget for 2021, the government gave the CRA liberty to extend the CRB beyond September 26, 2021, to November if needed. Looking at the current reopening, the extension seems unlikely.

In fact, the number of applications the CRA approved for period 18 (May 23 to June 5) has reduced 12.2% from period 17. The count has been declining since April after the 2020 tax-filing deadline ended. One reason for the decline is that the CRA delayed the CRB payments for those who didn't file their returns.

When I look at the two data sets, I see the unemployment rate was little impacted by reduced CRB payments. So far, the CRA has made arrangements for extending the CRB to 21 periods. If you have been claiming the benefit since it began on September 27, 2020, your last CRB application will be for the period July 4 to 17. This means you can get a maximum of \$18,900 in CRB payments after deducting the withholding tax.

### Deducing the CRB update on the CRA page

The CRA website is silent on the other \$2,400 CRB (\$300/week). But the line clearly states, “you will no longer receive CRB payments,” which implies that the benefit will end. Apparently, the government wants to save the \$300/week CRB for if there is a fourth wave. India and many other countries are grappling with the Delta variant of the virus, which is more transferable among the unvaccinated population.

It could also be that the CRA might create a new page for the \$300/week CRB, but that seems unlikely.

## It is time to let go of the stimulus

Whether the CRA ends the stimulus at 42 weeks or 50 weeks, you knew from the start that it had to end. The CRB is a temporary benefit, and it is time to let go of the stimulus package and focus on building income. If you are looking to earn income from investment, **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a good choice.

Enbridge is known as a Dividend Aristocrat, as it has a history of paying dividends for more than 40 years. And it has been increasing its dividend per share at a compounded annual growth rate (CAGR) of 10% for the last 26 years. If you are worried about whether Enbridge can maintain its history, then rest assured. Its toll-collection model keeps the cash flow coming while keeping inflation in check.

Enbridge charges a toll on a volume basis for allowing utilities to transit oil and natural gas through its pipelines. It keeps revising these rates for inflation. Moreover, it keeps building new pipelines that add more sources of cash, which helps it increase the dividend per share. Even if oil demand drops as people move to renewable energy, Enbridge will convert its pipelines for renewable energy transmission.

## Your passive income

If you invest \$100 every week in Enbridge for a year, your total investment will reach \$5,200. If Enbridge maintains its 6.76% dividend yield, you will earn \$350 in annual dividend from next year. This dividend amount will grow to \$572 if Enbridge increases the dividend per share at a 5% CAGR.

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