



Have a Child? You Might Get an Extra \$300 From the CRA

Description

COVID-19 is altering family life in Canada and elsewhere. Suddenly, working moms and dads are stay-at-home parents. The pressure is tremendous if you're [losing regular income](#) while caring for your children at the same time.

The federal government took swift action to temporarily increase the Canada Child Benefit (CCB) effective May 2020. Parents who are without work or have lost the propensity to earn can receive an extra \$300 monthly from the Canada Revenue Agency (CRA).

CCB enhancement

Canadian families or parents with eligible children under their care are getting financial aid. For the period from July 2019 to June 2020, the basic "tax-free" CCB is \$553.25 monthly for children under six years old and \$466.83 for children ages six to 17 years old.

The one-time CCB enhancement will amount to about \$2 billion. The extra monthly support for parents who may have been laid off from their jobs or unable to work is \$300 per child.

Precarious industry

Since March 1, 2020, [mass layoffs](#) are happening in Canada. **Bombardier** ([TSX:BBD.B](#)) and **CAE** ([TSX:CAE](#))([NYSE:CAE](#)) have laid off 12,400 and 2,600 workers, respectively. Both companies are in the aerospace and defence industry. Investors should steer clear of this space, which is among the hardest hit.

Bombardier shares closed at \$0.42 on April 24, 2020, and the stock is losing by 78.2% year to date. The company withdrew its financial targets for this year but will assess further the impact of the temporary suspension of operations. Rumours of bankruptcy are also starting to fly.

The factories of plane maker Bombardier are idle following the shutdown of non-essential services.

Employees in Quebec will end their furlough by May 4, 2020, at least, although those in Ontario are in limbo until further notice.

With the stoppage in private jet and rail production, Bombardier is in dire straits. The demand for corporate aircraft or business jets, the biggest contributor to revenue, is almost non-existent in the wake of the pandemic.

Meanwhile, Bombardier is doing its share to combat COVID-19. Workers at its Thunder Bay plant are manufacturing ventilator components for a medical company in southern Ontario.

CAE's stock performance is similarly horrendous. As of April 24, 2020, the price is \$19.68, or a year-to-date loss of 42.5%. This \$5.25 billion company provides training solutions for the civil aviation, defence and security, and healthcare markets around the world.

CAE temporarily relieved 25% of its total 10,000 manpower while suspending dividends and its share-repurchase plan. About 900 employees are on a reduced work week. This flight simulator maker is also freezing or reducing the salaries of workers not included in the work-week reduction plan.

In response to the COVID-19 outbreak, CAE has designed a ventilator prototype. Once approved by Health Canada, the company will source the components to begin production. The said ventilator will provide life support to patients in intensive care units.

Orders and deliveries for flight simulators are grinding to a halt. The low demand will put extreme pressure on CAE's balance sheet moving forward.

Parents in crisis

The lockdown has serious implications to parents as well. If you're a parent in crisis, don't miss out on the extra \$300 from the CRA.

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