



Canada Revenue Agency: What to Know About the 1-Time Aid to Seniors

Description

The COVID-19 pandemic has terribly impacted businesses as well as individuals. Particularly seniors have been at the receiving end during these challenging times. Their life savings have taken a beating due to the increased cost of living, whether it be surcharges on deliveries or higher medication fees.

On May 12, the Canadian government announced a one-time payment of up to \$500 to eligible seniors. A senior who is eligible for the Old Age Security (OAS) pension will receive \$300. Seniors eligible for the Guaranteed Income Supplement (GIS) will also receive an additional \$200.

Canada Revenue Agency: COVID-19 aid to seniors

OAS is the Canadian government's biggest pension plan. Canadian individuals over the age of 65 are eligible to receive a monthly payment under this program. A Canadian citizen or a legal resident that has resided in Canada for at least 10 years since the age of 18 qualifies for this pension.

The maximum monthly pension an individual could receive under the OAS is \$613.53. However, the amount of OAS pension is determined by how long an individual has lived in Canada after the age of 18. A low-income earning individual is also eligible to receive GIS.

Seniors are not required to make an application to receive the recently announced [one-time COVID-19 benefits](#). Those qualified for both OAS and GIS will receive tax-free \$500.

Notably, these one-time benefits will be insufficient for most Canadians considering the high cost of living. Also, there is the added risk of the lockdowns and pandemic lasting longer than expected.

In such a situation, creating a steady passive-income stream is always beneficial. There are many [dividend stocks in Canada](#) that pay monthly, which can be used to supplement an individual's earnings.

Use TSX stocks to create a steady income stream

Investors can consider stocks like **RioCan REIT** to create a stable income stream. Shares of the retail real estate group have fallen more than 50% in the COVID-19 crash. But many market participants think that RioCan stock has already hit the bottom and further downside could be limited.

While retail real estate has come under a lot of pressure after the pandemic, the company has recently confirmed that its payouts are safe. It yields almost 10% at the moment, notably higher than the TSX stocks at large. The recent stock correction has made its yield reach record high levels. If one invests \$50,000 in RioCan REIT, they will generate approximately \$420 in distributions per month.

Canadian Natural Resources is another such stock that seems well placed in these challenging times. The energy giant has kept its dividends intact while many of its peers have trimmed or suspended them amid volatile oil and gas prices. Canadian Natural offers a dividend yield of 7.5% — again, much higher than the broader markets.

An investment of \$50,000 would generate a passive quarterly income of \$530. While the entire energy sector looks grappled with challenges, Canadian Natural Resources looks well placed compared to peers. A continued broad market rally could uplift its stock as well, making it a candidate for attractive total return potential.

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