



Latest CRA Update: Extra \$500 COVID-19 Tax Break

Description

The CRA continues to roll out measures designed to help Canadians who have been financially impacted by the global COVID-19 pandemic. The latest program, introduced on the CRA website on May 21, will benefit seniors eligible for the Old Age Security (OAS) pension or seniors eligible for the Guaranteed Income Supplement (GIS).

This announcement adds to the growing list of measures put in place by the Government of Canada. Since the pandemic began, the government has acted quickly and decisively to help those [financially impacted by the coronavirus](#).

On March 18, 2020, the government began its rollout of programs designed to support the finances of individuals, businesses, charities, and non-profit organizations. Almost every day since, new measures are being introduced and previous programs are being adjusted.

One-time OAS/GIS payment

The most recently announced one-time payment could total as much as \$500 for eligible Canadians.

The amount you receive depends on your individual circumstances. The first \$300 will go to seniors who are eligible for the OAS pension. An additional \$200 will be paid to seniors eligible for the GIS. No application is required for individuals to receive the payment.

The money will be available in June 2020. Individuals and their spouse or common-law partner will each receive \$500 if both are receiving the GIS.

These one-time payments are non-taxable. Tax slips will not be issued, and the amounts do not need to be reported to the CRA for income tax purposes.

The government has introduced several programs designed specifically to help seniors. These benefits include reduced minimum withdrawals from a Registered Retirement Income Fund (RRIF), support for the delivery of certain items, and temporarily extending the GIS to seniors if their 2019 income

information has not been assessed, among other measures.

Even small investments can reap big rewards

If you are fortunate to have a solid emergency fund in place and you have no immediate need for the one-time payment, then you may want to consider investing the money. Even a small investment in a great company, with dividends reinvested, can reap big rewards.

Consider a stock like **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)).

One of the most recommended stocks

There is a reason that Fortis is one of the most recommended stocks here on *The Motley Fool*. Utilities, like Fortis, provide essential products and services that customers count on, even during uncertain times like these. The current global pandemic is expected to minimally impact the company's revenues and earnings.

Fortis has raised its dividend every year for the last 46 years. The company is expected to increase its dividend by 6% a year over the next five years. With a current dividend yield of 3.68%, this is reliable income that investors can count on, and the dividend is relatively protected by a conservative [payout ratio of approximately 75%](#).

Shares of Fortis are trading at \$51.85 as of this writing. The stock price is down approximately 12% from its 52-week high. At this share price, Fortis is at an attractive entry point for investors wanting to secure safe dividend income for years to come.

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