



Got a Child? You Can Get an Extra \$300 From the CRA

Description

COVID-19 has turned the world upside down. Its impact is severe, but the harshest is [economic dislocation](#). Many families are still in lockdown. Parents in particular are distraught with the turn of events.

The majority of schools will remain closed for the remainder of 2020. As such, children will be staying home for an extended period. Meanwhile, parents will have to cope with the mental, physical, and financial stress. The Canada Child Benefit (CCB) is helping financially. But the [better thing](#) is the timely extra boost of \$300 in the pandemic.

Receive extra from the CRA

The federal government is allotting \$2 billion to enhance the CCB amid the health crisis. Eligible parents who are presently receiving the CCB payment should have received the extra \$300 from the Canada Revenue Agency (CRA) in May 2020.

Another relief for parents is coming in July when the CRA implements the CCB increase for the 2020-2021 benefit year. After June, the maximum annual benefit per child under age six will be \$6,765 (\$563.75 monthly), while the payment per child aged six through 17 will increase to \$5,708 (\$475.66 monthly).

The next increase is in addition to the special one-time payment from the CRA. The amounts herein are the maximum CCB you can potentially receive. The guide of the CRA to calculate the exact benefit is your tax return. Generally, the CCB reduces as income increases.

CRA warning

Since the CRA is unable to assess tax returns for the income year 2019 due to the tax-filing date extension, the basis is your 2018 tax return. If you haven't filed for 2018, please do so to receive the extra \$300.

The tax agency is also reminding taxpayers to file their tax return for the income year 2019. The CRA should be able to assess your tax return by early September 2020. Otherwise, your estimated benefits or credits will stop in October 2020, and the CRA will demand repayment of CCB benefits received starting in July 2020.

Multiple uses

The CCB has several uses if parents are not financially handicapped. You can go dividend investing if you want the money to grow. There are a handful of options on the stock market for risk-averse investors. Prominent of them is the largest publicly listed company in Canada and the largest banking institution too.

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) is a core stock holding of retirees as well as regular investors with long-term financial goals. RBC's dividend track record spans 150 years, inclusive of World War I, World War II, the Great Depression, and the most recent 2008 financial crisis.

The 54% drop in net income in Q2 fiscal 2020 shouldn't discourage would-be investors. It was necessary to increase credit loss provisions. All big banks have high levels. At less than \$100 per share, RBC is paying a 4.46% dividend. You can hold the bank stock for decades to build wealth for your children.

Claim your full CCB

The duration of the pandemic is hard to predict. Parents need all the financial support it could get. Heed the CRA's reminder, so you don't miss out on your full CCB.

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Date

2025/08/25

Date Created

2020/06/09

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