



\$400 GST COVID Emergency Payment: Did You Get it?

Description

Another [emergency federal aid](#) with a budget allocation of \$5.5 billion is available, in case you didn't know. Individuals and families with low and modest incomes are getting additional support with the one-time boost in the Goods and Services Tax (GST) credit.

Those eligible should have received special payment on April 9, 2020. Singles can receive an extra GST credit of \$400, while the amount for couples is \$600. If you did not file your taxes for 2018, you wouldn't receive the payment.

Offset the value-added tax

The GST usually comes hand in hand with the Harmonized Sales Tax (TSX). Both are tax-free money you receive quarterly to offset all or part of the value-added tax (GST/HST) you pay for Canadian goods and services.

As mentioned earlier, you're ineligible to receive the one-time supplementary GST credit payment if you did not file your taxes in 2018. The reason is that the Canada Revenue Agency (CRA) will base the computation on your income for the said income year.

For taxpayers presently receiving the GST/HST credit, the payments will continue until the end of September 2020. After which, the CRA will start reassessing the estimated benefit based on your 2019 income tax return. File your 2019 taxes, or else the credit payments will stop in October 2020.

GST/HST credit mechanics

It is essential to know the base year and payment period. The former is the year of the tax return, while the latter is the 12-month period during which the CRA pays the GST/HST. The tax agency will calculate the GST/HST credit amount based on the information in your tax return.

The payment period is from July 1 of the year following the base year to June 30 of the next year. For

the benefit year 2019-2020, the CRA paid the GST/HST credits on July 5 and October 4, 2019, and on January 3 and April 3, 2020. The one-time boost became effective on April 9, 2020.

Post-pandemic plan

There are other uses of the GST credit if you will not spend it for emergencies. Rather than spend the quarterly payments, accumulate them. You can use your GST savings to invest and earn extra income. Also, you might be able to create a permanent windfall of \$400 every year.

Telecom giant **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) could be your ticket to [building a small fortune](#) from out of your GST savings. This \$51.89 billion company is offering a 5.72% dividend. At the current yield, you only need \$7,055 capital to earn \$400.02 and match the one-time GST boost.

More importantly, it will be permanent, as you can hold on to the telco stock for years. This high-yield asset is ideal not only for income investors but for beginners or novice investors as well. You don't need an in-depth analysis to decide.

Telecommunications services have never been so critical than in the COVID-19 pandemic. There is an increased use of telecom services and the internet due to lockdowns and stay-at-home directives. After the health crisis, working from home might be the new normal. And BCE will be dominant as ever.

Rags to riches

Turn your GST credit into forced savings. It is money that will give you permanent income and financial stability in the future.

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