



CRA to Parents: Claim \$3,253.25 in Extra Monthly Income

Description

The COVID-19 pandemic created havoc on the lives of Canadians in more ways than one. While it remains a life-threatening virus, it also has destroyed the finances of many families. That includes parents who are now (hopefully) working from home, with children that have been sent home from school. I'm sure many parents are exhausted physically, emotionally, and financially.

That's why there are some benefits available specifically directed at parents during this time. You likely are already aware of the Canada Child Benefit (CCB). This benefit offers up to \$553.25 in monthly income per child in normal circumstances. But today there are some changes you should be aware of to both claim and invest for the sake of your children.

GSTC/CCB

The Goods and Service Tax Credit (GSTC) can be claimed by the more than 12 million low- and modest-income parents that need help with finances during this downturn. It provides a special one-time payment that double the maximum annual GSTC payment for this year. On average, that credit for income will be around \$400 for a single individual, and about \$600 for a couple.

On top of this credit is one directed at families. There are about 3.5 million parents with children between the ages of newborn and 17 years of age. The CCB already gives families monthly payments based on income, and you can find out more on how that is calculated [here](#).

But on May 20, families also received \$300 per child to help with extra costs. On average, families received about \$550 back in May.

CESB

It doesn't stop with family benefits either. If you're a student or even just recently graduated, you can also claim up to \$2,000 for every four weeks for a maximum of 16 weeks from the government. The Canada Emergency Student Benefit (CESB) aims to provide students with funds during this downturn,

as many rely on summer income.

While an individual student can claim \$1,250 per four weeks, if you have dependents, you can claim up to \$2,000. This will continue between May and August, 2020.

So in total, if you are a single parent of low- to -modest-income as a student, the government should have paid you \$400 from the GSTC, \$300 on top of your CCB benefits of \$553.25, and \$2,000 if you applied for CESB. That's a grand total of \$3253.25 for the month of May, and \$2,553.25 for each month of the rest of the summer.

Direct to dividends

If parents are able to invest any of this money for your children, then dividends are the way to go right now. There are two benefits here. First, you are putting money aside that should grow exponentially over time if you choose strong, blue-chip companies. Then, you will receive quarterly or monthly payments that you can either use during the downturn, or reinvest.

Whatever option parents take, banking stocks are the way I would go right now. The Big Six Banks have been around on average over 150 years, so are likely to be around for the next few decades at least. Each bank also has strong consecutive payouts, making your dividends payments likely to happen on schedule like a pay cheque.

For my money I would go with **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) today, as the bank offers the chance of growth as well. The bank expanded into the United States and is now one of the top 10 banks in the country. Meanwhile, it still has a lot more growth potential.

While it will see losses during the pandemic, housing crisis, and oil and gas crisis, it has the \$1.7 trillion in assets to fall back on.

The bank's [dividend](#) sits at 5.18% as of writing, and has grown about 160% in the last decade. That's an average of 16% per year, with a payout ratio of 52.81%.

If parents can then put aside your CCB payments for this stock, that would bring in \$357.08 in dividend income per year.

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