



CRA for Students: You Can Get Up to \$22,600 in COVID-19 Support

Description

Student life is tough. It is during this time you take your first loan to pay for your tuition fees. While you are already juggling through jobs and studies, a crisis like the COVID-19 pandemic can leave you strapped for cash. The Canadian government has implemented many programs that provide financial assistance to students.

The Canada Revenue Agency (CRA) has increased both taxable and non-taxable benefits to help students meet their living expenses, pay for their education, and get relevant work experience.

Prime Minister Justin Trudeau said that students are looking for ways to make a difference to their communities, and the COVID-19 support will help them get the necessary skills for the same.

Benefit	Benefit Amount	Tax-Status
CESB	\$8,000	Taxable
CSSG	\$5,000	Taxable
CSLP	\$9,200	Tax-free
GST Tax Credit	\$400	Tax-free
Total	\$22,600	

Canadian government's COVID-19 support for students

If you're a student with a dependent, you can get up to \$22,600 this academic year from various government programs. Of this total amount, around \$13,000 is taxable, and the remaining is tax-free.

[Canada Emergency Student Benefit](#) (CESB): Students who are not earning more than \$1,000 and have a dependent can earn a maximum of \$8,000 in CESB (up to \$2,000 every month from May to August). The CRA is giving away this payment to meet your living expense amid the COVID-19 crisis. However, this payment will be added to your taxable income.

Canada Student Service Grant (CSSG): Unlike CESB, CSSG is a one-time payment that students can earn by volunteering for COVID-19 response programs. They can receive up to \$5,000 of taxable income for 500 hours of volunteer work, which will help them gain paid work experience.

Canada Student Loans Program (CSLP): This program was in place even before the pandemic to provide financial assistance to students. The government has doubled the grant and eased the eligibility criteria as part of the COVID-19 support. A single full-time student can get a grant of up to \$6,000, while a student with a dependent can get an extra \$3,200 in the 2020-21 academic year.

This grant is non-repayable and tax-free. Students will also get a six-month break from the interest and repayment of student loans to help them preserve cash during the summer break when they were jobless.

Goods and Service Tax (GST) tax credit: The GST tax credit is a quarterly tax-free payment the CRA pays to low and modest income families. As part of the COVID-19 support, the CRA has doubled this benefit for one quarter. You would have received a one-time special [GST credit of up to \\$400](#) on April 9.

Make the best of the \$22,600 in the COVID-19 support

If you have secured the maximum of all the four benefits, the government offers students, leverage this government support to put your finances in place. I know that these benefits are your only means to make ends meet. But if you can manage to save the \$5,000 earned in CSSG, you can plant the seed for the future tree. As a Canadian citizen, you can open a Tax-Free Savings Account (TFSA) where you can invest your CSSG amount.

Early investing can go a long way

A sound investment for your summer income from the volunteering work could be high-growth tech stocks with the potential to double your money in five years. My favourite tech stock is **Enghouse Systems** ([TSX:ENGH](#)), which has grown over 50% year to date and over 200% in five years.

The company acquires software companies with exposure to four verticals — contact centers, telecom, transportation, and geographic information systems. Over the years, the company has made several acquisitions and expanded its product portfolio and sales team across various geographies.

It has increased its revenue and adjusted EBITDA at a compound average annual growth rate of 7% and 10.7%, respectively, between 2015 and 2019.

Enghouse has the potential to maintain its revenue growth rate, which means the stock can grow another 200% in the next five years. An amount of \$5,000 invested in Enghouse five years back would convert to around \$16,000 by now. If you are 18 years of age, you can have \$16,000 in your TFSA by

the time you graduate.

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