



Canadian Parents: How to Receive an Emergency \$300 Per Child

Description

Around the world, millions are struggling with the economic fallout caused by the novel coronavirus. Doctors and health workers have gone beyond the call of duty to treat, cure, and save patients from COVID-19. People in the front lines are the heroes of today.

Meanwhile, unsung heroes are caring for children at home. Parents are also undergoing stress and pressure because of lockdowns and school closures. In Canada, the government recognizes the role of and [financial squeeze](#) on parents during the healthcare crisis.

The Canada Child Benefit (CCB) is in place to provide financial support to parents as they go about their child care responsibilities. This year, however, the financial strain is deeper.

One-time boost per child

Canada is enhancing the CCB for families while the pandemic is raging. Parents who are already receiving the child benefit get a one-time \$300 help per child on top of the May 2020 CCB payment.

The CCB is helpful since there is a single payment that comes every month. It's tax-free and benefits low and middle-income families the most because they get higher payments. Those who received the \$300 extra have a child under their care in May 2020 and have filed the 2018 tax returns.

For non-filers wishing to receive this particular payment, you must file your 2018 taxes as soon as possible. After filing, you may be eligible for retroactive benefits and credits. The only way to get these benefits is by filing your return.

July increase

The maximum annual CCB Canada Child Benefit will increase effective July 2020. Parents can keep pace with the rising cost of living. Parents with children under age six will receive \$6,765 (\$573.75 monthly per child). For those with children age six through 17, the CCB is \$5,708 (\$475.66).

CCB is economically helpful for parents, as all monthly payments are tax-free.

Earn \$300 more tax-free

Parents with savings or free money of \$39,100 can invest in a Tax-Free Savings Account (TFSA). **RioCan** ([TSX:REI.UN](#)), for example, is a generous dividend-payer. This large-cap real estate investment trust is yielding 9.22%. You can purchase 2,565 worth of RioCan shares and generate \$300 in monthly income tax-free.

The current price of \$15.34 is a bargain owing to the recent market sell-off. Despite the market carnage, this \$4.84 billion REIT is keeping shareholders whole on the dividend payouts. The 65.45% payout is within the healthy range, so it's safe to assume you're not falling into a dividend trap.

Liquidity won't be too much of a problem in the near term, as the REIT has \$1 billion cash on hand (as of end March 2020) and unencumbered assets worth \$9.2 billion. The occupancy rate remains high at 96.3%, while the average lease term is 7.3 years.

Lease renewals and cancellations are the threats if the economy takes a long time to recover. Also, the risk of lower rent collection is high in enclosed mall properties. But then again, a [dividend king](#) like RioCan is ideal for income investors and TFSA users.

Get the FREE money

Parents with children below 17 years old shouldn't miss claiming the \$300 one-time CCB boost. File your 2019 taxes too to continue to get the 2020-21 benefits and credits.

CATEGORY

1. Dividend Stocks
2. Investing

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1. TSX:REI.UN (RioCan Real Estate Investment Trust)

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