



Got Kids? You Might Get \$300 From the CRA for Each One

Description

When schools closed down in Canada due to COVID-19, home routines drastically changed. Parents were suddenly holed up at home to care for kids or adolescents. They need to keep a sense of calm while parenting during a pandemic. It's a whole new challenge because it doubles the mental, physical, and [financial stress](#).

The situation is tough when your source of income hangs in the balance while keeping your child safe. For working couples, mothers and fathers need to divide responsibilities. Each partner needs to allocate time for childcare, housework, and paid work (if not on furlough). All of these lead to tense times and financial strain.

Child benefit top-up

The Trudeau administration knew at the onset that parents would be anxious while coronavirus is raging. School and daycare closures would mean additional child-care responsibilities. Similarly, money will be a concern if one or both parents are out of a job or unable to work due to COVID-19.

To relieve some of the pressure from parents, the federal government drew up a measure to provide [extra support for parents](#). A \$2 billion budget was set aside to enhance the Canada Child Benefit (CCB). Immediately after, Prime Minister Justin Trudeau announced a temporary boost to the CCB.

Effective May 2020, the Canada Revenue Agency (CRA) will pay up to \$300 per child to eligible CCB recipients. The one-time payment is on top of the benefit due in the same month. Parents who did not file taxes for the year 2018 will not receive the extra cash.

In case you're ineligible to receive the boost due to the tax filing requirement, here's what you can do. File your tax return benefit as soon as possible, so you qualify for retroactive benefits and tax credits. For the rest, if you want to receive the new and higher CCB for the benefit year 2020-21, file your taxes for the year 2019.

Boost household income

In times of financial crunch, parents can rely on durable, dividend-paying stocks to boost household income. Pipeline giant **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a rock-solid investment choice. The dividend track record of this elite energy stock is over six decades, and 38% of those years, Enbridge raised dividends.

The current dividend yield of this \$84.26 billion energy infrastructure company is a hefty 7.8%. Your joint savings of \$50,000 can produce \$3,900 in annual income or \$325 monthly, higher than the one-time CCB boost. The dividend earnings can be for life. In 10 years, the investment will be worth \$105,963.82.

Enbridge is a standout because its balance sheet is investment-grade. The company is not an oil producer and consistently generates cash flow from fee-based contracts whose rates are mostly government-regulated. Despite belonging in a highly volatile energy sector, this dominant pipeline company's business model is low-risk.

For the family's best interest

Parents with children under 18 should be taking advantage of the one-time CCB boost. Likewise, it would be best to file your 2019 income tax return to receive the enhancements for the benefit year 2020-21. The more you can add to household income, the more you can fortify your family's financial well-being.

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