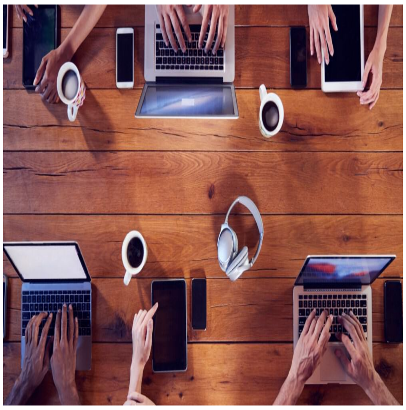

CRA to Millennials: The Tax Credit You All Forgot

Description

If there's one generation that's struggling during this pandemic, it's millennials. This group was born in a recession, entered the workforce during a recession, and are now starting out lives and careers during yet another recession. It's no wonder so many of us chose to stay at home. And while four out of five of us have at least some savings put aside, most of us still have so much debt we don't know where to start.

Enter the pandemic. Now that debt only increases, and payments keep piling up. There are some benefits being thrown our way by the Canada Revenue Agency (CRA), but there's one many weren't sure applied to them. Hint: it likely does.

GST/HST Credit

If you're a millennial making a low income or were let go during the pandemic, you likely can apply for the GST/HST credit. The credit already existed before the pandemic, but if you didn't think you were eligible then, look again. The quarterly income helps to offset the goods and services taxed by individuals with low incomes. If you're now unemployed, you could now be eligible.

On top of the credit, however, was an added credit back in April. This credit was a one-time offering from the CRA back in April, but you could still be able to claim it by calling CRA. CRA states that it's based on your 2018 tax return, so if you file as soon as possible you may be eligible for back payments.

How much?

Here's the breakdown. The maximum credit you could receive before the bonus credit was $443 if you're single, $580 if you're married or common law, $153 for each child under 19, and $290 for the first child of a single parent. These amounts then increased to $886 if single, $1,160 if married or common law, $306 per child, and $580 for the first child of a single parent.

That's quite the increase if you're a single parent and making the average $44,000 per year as a millennial. You could receive $1,466 for a one-time payment in that case. So, what should you do with that money?

Make more money

First off, let me say that if you have debt, I completely understand needing to pay down debts. Talk to your financial advisor about what is best for you and your savings. However, most millennials simply don't invest. In fact, about half don't. That's a shame, because if you have savings sitting around, that money should at least be making *more* money.

The best way to do that is by investing in dividend stocks. Passive income means you can bring in more cash each quarter no matter how the markets perform. Then that money can be reinvested, at no cost to you. You can then use what income you have coming in to pay down those debts.

A great option right now I would consider is **Pembina Pipeline Corp.** (TSX:PPL)(NYSE:PBA). The company has sunk in share price because of the pandemic, but it's due for a meteoric shift. That's because the oil and gas glut has created a real need for the pipelines Pembina is currently making.

The company has $5.6 billion in secured projects in the works. Meanwhile, it's supported by long-term contracts to keep cash rolling in.

The company also has a secure dividend of 7.49% as of writing, which has not come down during the pandemic and comes in monthly. Then in a year or so, analysts suspect the share price could double.

But even if it doesn't, it's likely to increase to pre-crash levels within a year's time. So you could turn that $1,466 into $2,400 in just one year, bringing $110.88 in dividends.

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