



\$5,000 Student CRA Crisis Payments: Here's How You Could Get \$8,000

Description

Post-secondary students, recent post-secondary, and high school graduates would've been financially handicapped in 2020 if not for the Canada Emergency Student Benefit (CESB). Aside from the [dearth in summer jobs](#), the majority do not qualify for the \$12,000 Canada Emergency Response Benefit (CERB) or Employment Insurance (EI).

The federal government was aware of the stressing situation of students due to the coronavirus outbreak. Thus, CESB is now a vital element of the COVID-19 Response Plan. The program alone is worth \$5.2 billion out of the total \$9 billion financial support exclusive to eligible Canadian students.

Monetary terms

The CESB mechanics are straightforward. It will run from May to August 2020. Students who do not qualify to receive CERB or EI get \$1,250 for each four-week period from the Canada Revenue Agency (CRA), or a total of \$5,000.

However, if you're eligible, but with a disability or dependents, the monthly amount for the same period is \$2,000 (additional \$750). The total crisis money bumps up to \$8,000. This temporary economic support aims to make up for the lost summer job opportunities.

Not lacking in support

Canadian students do not lack support. Other measures are complementing the CESB to lessen the financial hardships. The federal government is doubling the amounts of student grants. Apart from the six-month, interest-free moratorium on student loan repayment, the cap on student loans for the upcoming school year is higher.

Furthermore, there's a slew of never-before-seen financial support in the 2020-21 academic year. Some colleges and universities might offer financial assistance in the form of bursaries and scholarships. Many students are to take online classes. The sacrifice of social interaction could be

worth it if a student can get the most value from the various offerings.

Proper use of CESB

The \$5,000 CESB is emergency money that should enable students to ride out the financial constraint during the pandemic. [Creating passive income](#) by investing in dividend stocks is an option, but only if you have free cash to spare after prioritizing living expenses, debt repayment, and other essential expenses.

Dream Industrial ([TSX:DIR.UN](#)) is an attractive investment option for frugal investors. You can purchase shares of this \$1.70 billion real estate investment trust (REIT) at less than \$15 per share. This REIT commands a strong following among income investors, because it's a generous dividend payer.

With the current dividend yield of 6.28%, the corresponding earning on a \$5,000 capital is \$314. In a Tax-Free Savings Account (TFSA), it would be tax-free. You're not investing in Dream Industrial just because it's an attractive dividend play. The market downturn is working in favour of or is increasing the value of industrial REITs.

The portfolio of 262 high-quality industrial properties gives Dream Industrial a robust operating platform. Its high 95% occupancy rate and around 90-95% rent collections in the second quarter indicate the pandemic's limited impact. Moving forward, this REIT will have more liquidity and financial flexibility.

Tax implications

The pandemic money the CRA pays through the CESB program is taxable. Student recipients must know the tax implications and the reporting requirements in April 2021 during the tax season. The government will claim the tax portion back. However, if your income is below the basic personal amount of \$13,229, you won't be paying taxes.

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