

CRA Update: Extra \$2,300 COVID-19 Cash

Description

Canada is reopening, but that doesn't mean Canadians have recovered financially. There have been multiple benefits offered to Canadians, but many of these are coming to a close. That's why now is the best time to take advantage before the benefits are gone. If you're a parent, there are a few benefits you can still recover from the CRA.

Parents who already received the Canada Child Benefit (CCB) got an extra \$300 per child back on May 20. This one-time benefit gave a much needed boost for parents already losing their minds. But there is even more money you're eligible for from the CRA if you're a parent and a student.

The Canada Emergency Student Benefit (CESB) offers students \$1,250 every four weeks between May and August. However, if you're a parent that bumps up to \$2,000 every four weeks. That means back in May, you were eligible for \$2,300 in extra cash during the pandemic. You could also still receive that \$2,000 for the month of August at least.

Now that Canada is opening up again, with schools following suit, it's important to take that cash while you can and invest that CRA money if you can.

Enter RESP

The end of the summer means the end of a lot of things. The end of CESB, the end of CERB, but also the beginning of the work season. Jobs have been coming back in droves, and that's likely to explode in September. It's also the perfect time to invest before there is a huge market boost. Even just a small amount of cash can make a difference, such as the cash you received from the CRA.

While Canada gained one million jobs in June, it's still down two million. That could explode in the next month and beyond. That means if you're out of work now, you likely won't be for long. So investing that money into something worthwhile like a Registered Education Savings Plan (RESP) is a great choice.

The RESP is perfect because the government will actually match your contribution up to \$2,500 per child. So if you put that \$2,300 towards your child, the government will turn that into \$4,600! So what do you do with that CRA investment? Choose a dividend stock.

A dividend stock means you'll receive cash each quarter for as long as you hold the stock. You'll be able to then take that cash and reinvest it into your RESP. That's perfect as you try to rebound from the COVID-19 financial devastation. If you're going to choose one stock today, I would definitely look at **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)).

TD Bank is perfect for a number of reasons. First, it's tied for the largest bank in Canada by market capitalization. It's also grown into the United States, where it's now one of the top 10 banks in the country. That expansion should continue as right now it's only in the north east of the country.

Plus, the company has a super low share price both for potential upside, and compared to its peers. As of writing, shares are still down about 30% from pre-crash levels. Then you'll receive a [dividend yield](#) of 5.27% if you were to purchase today.

Bottom line

If you have just one child, you can make a [quick load of cash](#) in the next while in your RESP. By investing that \$2,300 from CRA, that already immediately becomes \$4,600. Investing in TD could turn that \$4,600 into about \$6,000 by reaching pre-crash levels. Meanwhile, you'll receive \$246 in dividend income each year to reinvest.

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