



How to Get Up to \$850 in CRA Cash Benefit in One Simple Step

Description

The Canada Revenue Agency (CRA) gives out a lot of cash benefits to Canadians with lower income. In the current pandemic times, the agency has doubled these cash benefits to help Canadians get some extra cash. You might have received up to \$850 in CRA cash benefit in July 2019 to June 2020 benefit period.

If you haven't received it yet, all you have to do is follow a simple step and get a retroactive payment of \$850 into your account.

In April, the CRA credited an [extra Goods and Services Tax Credit](#) (GSTC) of up to \$400 in the accounts of those who had already been receiving GST credit. The CRA calculates GST credit on your adjusted family net income that appeared in your last year's tax filing.

How much CRA cash can you get?

If you haven't received the special emergency credit in your account in April, all you have to do is file your 2018 income tax returns.

- You will receive the maximum GST credit of \$451 plus an additional \$400 in the emergency payment if you are single, and have an adjusted family net income between \$20,000 and \$38,000.
- You will receive the maximum GST credit of \$592 plus an additional \$600 in the emergency payment if you are married, and have an adjusted family net income of less than \$38,500.

The CRA pays out the GST credit in four installments. But it paid the emergency payment in one go. If you file your 2018 tax returns, you can get retroactive GST credit along with the emergency credit, and this amount will be exempt from taxes.

To be eligible for the GST credit, you have to be a Canadian citizen above 19 years of age. You can also get an extra \$155 credit if you have a child.

How to maximize your \$850 CRA cash benefit

If your income is below \$38,000, you are better off filing your tax returns as your total tax bill will be negligible. Instead, you will receive [several cash benefits from the CRA](#). Once you file your 2018 tax returns, you will receive up to \$850 in GST credit into your CRA account. You can maximize this amount in three easy steps.

First, open a Tax-Free Savings Account (TFSA). It keeps your investment and withdrawals exempt from taxes. This can save you a tremendous amount of taxes in the long term.

Second, invest the \$850 GST credit into a high-growth stock like **Lightspeed POS** ([TSX:LSPD](#)). The company provides cloud-based point-of-sale (POS) solutions to retailers and restaurants. It earns through subscription fees, commission on every transaction, and sale of hardware POS device.

The company has entered a high growth stage. Its annual revenue rose by 55% last year. The company is now broadening its e-commerce solutions, in the light of high demand for online services.

Since its initial public offering (IPO) in March 2019, Lightspeed stock rose by 80%. If you had invested \$1,000 in the Lightspeed IPO, your money would have grown to \$1,800 by now. The company is expanding its offering to include curbside pickup and online bookings. These services will increase its transaction-based revenue and, thereby, its stock price in the long term.

Third, stay invested in growth stocks like Lightspeed for at least seven years. Diversify your portfolio by investing your GST credit every year in high-quality stocks or ETFs through your TFSA. Even a \$400 investment every year in a stock that generates 15% annual returns can convert your \$4,400 contribution to \$10,500 in 10 years. And this \$10,500 will not be added to your taxable income.

Investors' takeaway

Maximizing your CRA cash credits is a good alternative if your expenses leave you with little cash at the end of the month. But if you can shell out even \$500 a month, or \$6,000 a year, from your working income, invest it in tech and dividend ETFs. ETFs give you exposure to some of the best stocks in that category and help you diversify your risk.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. TSX:LSPD (Lightspeed Commerce)

PARTNER-FEEDS

1. Business Insider

2. Koyfin
3. Msn
4. Newscred
5. Sharewise
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