



How to Get \$3,443 in Extra CRA Cash in 2020!

Description

In 2020, a number of CRA cash benefits are up for grabs. To help Canadians through the COVID-19 pandemic, Justin Trudeau's government introduced a number of new and increased benefits for the 2020 fiscal year. Many of these benefits are set to end soon.

However, most are still being paid as of this writing. If you're out of work due to COVID-19, you can still claim many of these benefits. In this article, I'll outline how you can claim up to \$3,443 in benefits in 2020 — including \$1,000 worth of tax savings you can get even if you're a high-income earner.

Step one: File your late taxes

If you still haven't filed your taxes for 2018, you should get on that right now. The reason is that there's a cash benefit [worth up to \\$443](#) based on the 2018 tax year. To give Canadians a little extra cash during a tough time, the CRA issued a one-time payment to GST/HST credit recipients. The amount approximately doubles what you'd ordinarily receive.

So, if you'd be eligible for \$443 in quarterly payments this year, you'd get an additional \$443 one-time payment, bringing your total to \$886. The one-time payment was mailed out in April. But if you haven't filed your taxes yet, you could receive it retroactively.

Step two: Apply for the CERB

By now, you're probably aware of the CERB.

The most publicized of Trudeau's COVID-19 cash benefits, it went on to become an extremely popular program. Over eight million unique Canadians applied for the benefit at some point, and \$64 billion has been paid in benefits.

If you've been laid off due to COVID-19, there's a good chance you've received some CERB money by now. But remember that you still have a few months to apply. The last CERB payment period [ends September 26](#)

, giving you two four-week periods you could still qualify for. If you get approved for just one, that's \$2,000 in CRA cash you can claim.

Step three: Invest in a TFSA

A final option to get some CRA "cash" in 2020 is to invest in a TFSA.

If you're going to invest, holding your investments in a TFSA can save you thousands in taxes. Whatever money you save that way has the same net effect as a cash transfer of the same amount.

We can illustrate this effect by considering an investor who held \$6,000 worth of **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) shares in 2020.

If this investor held their shares outside a TFSA, they could end up paying a lot of taxes on them. That's because Shopify stock has risen dramatically this year.

Between March 17 and June 12, Shopify shares appreciated about 100%. That's enough to turn a \$6,000 SHOP position into a \$12,000 one. If the investor cashed out those gains, they would have a \$6,000 capital gain. \$3,000 of that would be taxable. A 33% tax on that would add up to \$1,000.

By holding those shares in a TFSA, the investor would therefore save \$1,000 in taxes. If they also received a \$443 GST/HST credit and a \$2,000 CERB payment, that would bring them to a total of \$3,443 in CRA cash and savings in 2020 — not bad at all!

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