



Want Free Money? 5 New 2020 CRA Payments You Might Qualify For

Description

COVID-19 brought severe damage to the lives of people. Millions lost jobs due to the spread of the deadly virus. To [combat the financial impact](#) on Canadians, the federal government drew a battle plan.

The Canada Revenue Agency (CRA) is the central hub for distributing funds worth more than \$250 billion. You could qualify for five emergency programs that pay various sums of money. The enacted measures cover displaced workers, distressed parents, anxious seniors, affected students, and even avid newsreaders.

1. For news readers

The Digital News Subscription Tax Credit (DNSTC) grants a 15% non-refundable tax credit to taxpayers with digital news subscriptions with a Qualified Canadian Journalism Organization (QCJO). Aside from claiming DNSTC on up \$500 of subscription expense yearly (after 2020 and before 2025), you're helping the Canadian journalism industry.

2. For students

Because of the pandemic, summer jobs for students are virtually non-existent in 2020. Through the Canada Emergency Student Benefit (CESB), eligible post-secondary students can each receive a stipend of \$1,250 monthly from May to August. Those with disabilities or dependents get \$2,000 per month.

3. For seniors

Effective the week of July 6, 2020, recipients of the Old Age Security (OAS) and Guaranteed Income Supplement (GIS) started receiving a one-time, tax-free payment in these pensions. A senior receiving the OAS gets \$300 extra, while a GIS eligible individual receives \$200. If you qualify in both, the total top-up is \$500.

4. For parents

Canadians are stressing out from job security and childcare responsibilities during the pandemic. To lighten their financial burden, the CRA added a \$300 per child extra in the Canada Child Benefit (CCB) regular payment for May 2020. On average, the increase for families is roughly \$550.

5. For displaced workers

The Canada Emergency Responses Benefit (CERB) is the flagship program that alleviates unemployed Canadians from financial hardships due to COVID-19. Each eligible claimant gets \$2,000 monthly (up to six months) for a total taxable benefit of \$12,000. However, the temporary lifeline will end in August with a [new scheme](#) taking its place.

Changing mindset

People's mindset should change in the recovery period when millions return to work. Many will be looking to create extra income to avoid economic dislocation in the future. **National Bank of Canada** ([TSX:NA](#)), the sixth-largest bank in Canada, is a viable investment option.

This \$22.47 billion bank is a dependable income provider not only for retirees but for individuals with long-term financial goals. You can build an emergency fund and build wealth at the same time. The bank stock currently trades at \$67.01 per share and offers a respectable 4.25% dividend. A \$25,000 stake will produce \$1,062.50 in extra income for perpetuity.

National Bank's CEO Louis Vachon is assuring investors of the bank's earning power and ability to maintain the current level of dividends. It has sufficient credit loss provision (\$504 million), although management expects much lower performing provisions in the third quarter. The immediate focus is digital adoption and acceleration of digital transformation.

New quest

No Canadians were left behind in the health crisis due mainly to the money from the CRA. That said, the time is ripe to begin the quest toward financial freedom and less dependence on federal aid.

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Date

2025/08/22

Date Created

2020/08/25

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