



CRA: 3 Things You Should Know About CRB Before You Apply

Description

The Canada Revenue Agency (CRA) has opened the application window for the October 25 to November 7 Canada Recovery Benefit (CRB). Have you claimed the benefit for the first two periods? If yes, then consider these three things before applying for the third period of CRB.

This year, the CRA gave out several cash benefits in the wake of the COVID-19 pandemic. Before the CRB, the CRA gave up to \$14,000 in Canada Emergency Response Benefit (CERB) payments. Both CERB and CRB are taxable.

The CRA can take away your CRB

The CRA can also [take back the CRB](#):

- If your 2020 annual income exceeds \$37,000, or
- If you refuse a decent work opportunity.

The first thing to check before applying for the third period of CRB is your expected annual income for this year. While calculating this income, add the \$14,000 CERB payment or any other taxable COVID-19 benefit you claimed like Canada Recovery Sickness Benefit (CRSB) and Canada Recovery Caregiving Benefit (CRCB).

If your income adds up to more than \$37,000, don't apply for the CRB. Because the CRA will take away 50% of the surplus income up to the CRB amount you collected. For instance, Rose earned \$42,000 in 2020 and collected \$1,800 in CRB last month. The CRA will take away the entire CRB amount ($\$5,000 \times 50\% = \$2,500$) when Rose files her 2020 tax returns in April 2020.

She will lose out on two out of the 13 periods of CRB and won't even get the benefit amount as the CRA will take it away.

You could be left with no cash in April 2021

The second thing to check before applying for CRB is the probability of getting a job in April. The CRB is in place until September 25, 2021. But every eligible person can claim CRB only for 13 periods or 26 weeks. If you have a job and you are able to meet your expenses, save the CRB for the difficult times.

If you keep claiming the CRB consecutively, it will exhaust in the first week of April when you will have your 2020 tax bill. In the event you are still jobless, you could experience a no cash April as many experienced a no cash October due to CRB delays.

You can also claim a retrospective CRB within 60 days from the opening of the application window for that period. If you have sufficient cash and you are still eligible for the third period of CRB, you can apply for this \$900 benefit any time before January 8, 2021.

See if you qualify for other benefits

The CRA has launched two more COVID-19 benefits — CRCB and CRSB. If you are sick or have been tested COVID-19 positive, you can claim a two-week CRSB of \$900. The only condition is your employer should not reimburse you for the same. You can also claim care giving benefits. These benefits are for those who are working.

If you are above 65 years of age and have an annual income of over \$37,000, you can claim your Old Age Security (OAS) pension and Guaranteed Income Supplement (GIS). The CRA doesn't claw back OAS until your income exceeds \$77,580.

A better benefit than CRB

Claim CRA cash benefits strategically to make the most of it, or the agency might take it back. There is something better than CRB. It is a life-long benefit you can get irrespective of your age or income and the CRA can't take it away. This benefit is called passive income from your Tax-Free Savings Account (TFSA), which makes withdrawals tax-free.

The pandemic has pulled down **SmartCentres REIT** ([TSX:SRU.UN](https://www.scribd.com/document/531111111/SmartCentres-REIT)) stock by 33%. The lockdown forced many retailers to close their stores permanently, thereby impacting the REIT's occupancy rate. Investors buy SmartCentres for its dividends, and it pays these dividends from the rental income it collects. In [April](#), its rent collection reduced to 74%, but it has recovered to over 90% now.

However, it will take some time for the REIT to fill the vacant stores and realize bad debts once the government rent subsidy ends.

You can take this opportunity and lock in an 8.7% dividend yield for a lifetime.

CATEGORY

1. Coronavirus
2. Dividend Stocks

3. Investing

TICKERS GLOBAL

1. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Coronavirus
2. Dividend Stocks
3. Investing

Date

2025/08/26

Date Created

2020/11/09

Author

pujatayal

default watermark

default watermark