



Got Children? The CRA Might Give You a \$300 Emergency Benefit

Description

Any good news at a time like this is a blessing for Canadians. The government has made a monumental effort to support the most vulnerable Canadians during the unprecedented pandemic. The unemployment rate is gradually coming down, but there is a constant threat of another wave of lockdowns looming overhead.

Canada introduced [several emergency payments](#) to help citizens who lost income due to COVID-19. The government also understands the predicament parents are in at this time. If you are a parent of children younger than 17, there is an additional benefit you can use to help you take care of your children.

Canada Child Benefit

The Canada Child Benefit (CCB) is a program that will make sure no child is left behind. Canadian parents might already be aware of the CCB. New parents or would-be parents might love hearing about it. The CCB is a monthly payment that they can receive on the 20th of every month.

The government pays parents a maximum of \$6,765 per year for a child under six years old, translating to more than \$560 per month for each child. If your child is between seven and 17 years old, you can receive a maximum benefit of \$5,708 per year for that child.

These two payments come under the usual CCB program. The Canada Revenue Agency (CRA) is providing Canadian parents with an additional one-time payment of \$300 per child due to the pandemic. It means that you can get \$300 more per child atop the regular CCB payments.

Benefits for kids over 17

Parents receiving these monthly payments might realize how crucial the help is to take care of their children's expenses. However, I would advise trying to set aside as much of the CCB money as possible instead of spending it all on your child's expenses. Instead of using it all up, you should

consider investing the money to create a more financially stable future for your children.

Once your children cross 17, the CCB payments will stop coming in. It would be best to use the CCB money as capital to invest and create long-term support for your children. Investing CCB money into a Tax-Free Savings Account (TFSA) can help you generate passive income that can supplement your children's financial needs forever.

Any earnings on assets held within a TFSA can grow without incurring taxes from the CRA. You can use some of the contribution room in your TFSA to create a dividend income portfolio to take full advantage of this. Reinvesting the dividends can help you unlock the power of compounding to generate substantial wealth for your children.

A stock for your children's future

I think that **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) makes an ideal pick when you are considering the long-term prospects for your children's financial future.

TD is a favourite asset for long-term investors due to its extensive history and reliability when it comes to dividends. TD began paying its shareholders their dividends in 1857. The bank has never missed a dividend payment in all that time.

2020 has been a rough year for most stocks, especially financial stocks. However, things seem to be improving. TD investors do not have a reason to worry about it breaking its 163-year dividend streak due to the pandemic.

Toronto-Dominion Bank is trading for \$64.50 per share at writing. It has a juicy 4.90% dividend yield at its current valuation. The bank also has a compound annual growth rate (CAGR) of 9.78 in the last 10 years. It can prove instrumental in [providing a secure financial future](#) for your children beyond CCB payments.

Foolish takeaway

The CCB is a very generous program introduced by the government to help Canadian parents. The \$300 emergency payment is another generous benefit that you can leverage to improve your child's future. Remember that it is a tax-free benefit, and it would be wise to use it as best as possible to secure your child's future instead of spending it all immediately.

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