



CCB in 2021: What You SHOULD Get!

Description

This year has been wild for a number of reasons. It, of course, all stems back to the pandemic. The virus sent finances haywire for Canadians. It's why the Canada Revenue Agency (CRA) created benefits and credits for Canadians to take advantage of. It's why the CRA pushed back the tax-return deadline. And, of course, it's why the CRA made extra payments to those receiving credits.

One such credit is the Canada Child Benefit (CCB). These payments are delivered to Canadians by mail or direct deposit on the 20th of each month. At the beginning of the pandemic, parents received an extra \$300 per child on May 20. But with the pandemic still raging, what can families expect in 2021?

New calculations

There is a lot to consider for the 2020 tax year. Usually, tax returns are filed in April. Then, in July, CCB is recalculated based on the last year's income tax return. However, this year that deadline was pushed to September. So, it was your 2018 tax return that was used by the CRA. And the same will happen again in 2021.

Instead of using your 2020 tax return, the CRA is going to use your 2019 tax [return](#) to calculate your CCB payments. This is a big deal. In 2019, you likely made far more than you made in 2020. That's because the pandemic caused many to lose income. So, whereas in 2019 you could have been making \$40,000, in 2020 you may have been laid off from the pandemic. You then had to use those taxable Canada Emergency Response Benefits (CERB) and Canada Recovery Benefits (CRB). This brought your annual income to a much lower level.

What the CRA uses is your family's adjusted family net income (AFNI) to calculate how much you receive in CCB payments. If it's below \$31,711, you get the full amount for each child. As you receive more money, that amount decreases. And it's easy to calculate.

Let's say your AFNI is that \$40,000 per year. First, you take 7% of \$40,000. That's \$2,800 for this example. Then you calculate how much you get based on the number of children you have under six, or between six and 17. Let's say you have one five-year-old and one eight-year-old. Those under six

receive \$6,765 per year before the reduction, and over six receive \$5,708. So, you add \$6,765 and \$5,708 for a total of \$12,473, and subtract that \$2,800 reduction. So, you therefore will receive a total of \$9,673 in CCB payments, or \$806 per month.

Another option

Again, I'm never one to turn down free cash, and I'm not saying you should refuse CCB. But it's definitely hard knowing that you should be receiving much more if you're making much less than you were in 2019. Luckily, you can take that CCB payment and put it to really good use by investing in dividend stocks.

Dividend stocks pay out cash payments each and every quarter, or sometimes every month. If you're a parent, you're looking for investments to last you decades. So, I would look for companies set to remain strong during that time and continue large payouts — even during the pandemic.

One such recommendation has to be **Northwest Healthcare Properties REIT** ([TSX:NWH.UN](#)). This company invests in healthcare properties around the world, an industry ripe with investment during the pandemic. While other companies are struggling, Northwest has seen a huge 10.8% increase in year-over-year revenue. Meanwhile, it's still a [cheap](#) stock that's seen a 100% increase in returns over the last five years and offers a 6.64% dividend yield as of writing.

Bottom line

If you invested your \$9,673 in Northwest Healthcare, you would receive \$644 in annual passive income. On top of that, you could see another 100% increase in five years. If you were to leave that investment alone, not adding or taking from it for the next 25 years, your portfolio could be worth a whopping \$174,283.85!

CATEGORY

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TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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