



CRA: Up to \$1,500 in Extra Cash for Parents!

Description

The Canada Revenue Agency's (CRA) child benefit program is one of my favourites. Although I'm not a parent yet, I understand the need to support families across the country and its positive impact on the whole economy. Fortunately, the CRA has boosted this program for this year and the next to enhance this vital platform of support.

If you're a parent, here's what you need to know.

CRA upgrades the child benefit

Finance Minister Chrystia Freeland unveiled her eagerly awaited fall economic statement yesterday. The announcement gives us a snapshot of the government finances as well as an outlook for how the government intends to spend money in the coming year.

The government spending plan for 2021 can be summed up in one word: recovery. The Trudeau administration aims to bolster the economy with an unprecedented spending spree. The budget for 2021 stimulus measures is \$100 billion, which would push the government's deficit to its widest since the second World War.

This stimulus, of course, will be directly targeted at ordinary Canadians' bank accounts. The CRA has already offered a [\\$300 bonus for each child](#) under the Canada Child Benefit (CCB) program effective July 2020. If you're eligible for child benefit payments, you have until January 15, 2021, to apply.

Yesterday, Minister Freeland announced an additional \$1,200 in child benefits for 2021. Families that qualify for the CCB and earn a net income of \$120,000 or less will get the money in four tax-free payments of \$300 each. That should add a surplus to your family's budget, even as the economy gradually recovers next year.

Using the child benefit

Essential expenses, such as food and clothing, are the intended purpose of the CRA's child benefit payments. However, since the payments have been bumped up this year, there's a fair chance you

might have more cash than you need. You can save and invest this surplus to secure your child's future.

The best bet is probably a robust dividend stock with bright prospects and a durable business model. **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)), for instance, has a business model that can survive and thrive for a century. It supplies electricity.

Utility giants like Fortis are a natural monopoly. They dominate specific regions, and their services are absolutely vital, even in a recession. This is why investors can expect the company to be profitable and reliably expand over many decades regardless of economic conditions.

In fact, Fortis currently offers a 3.87% dividend yield and has a 46 year-long track record of annual dividend increases. That makes it a [Dividend Aristocrat](#) that is ideal for your spare child benefit cash in 2021. A \$1,200 investment in Fortis in 1995 would be worth \$10,400 today, with dividends reinvested along the way.

Bottom line

The government's spending plan for 2021 adds an additional \$1,200 child benefit from the CRA. Investing this spare cash in a robust dividend stock like Fortis could secure your child's future.

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