



## Living in BC? Get Up to \$1,000 of Tax-Free Money in December

### Description

Canadians in British Columbia can get up to \$1,000 of tax-free money from the B.C. government for the [B.C. Recovery Benefit](#). You must apply for the benefit to get the money.

The application opens online on December 18. Folks who prefer can also apply by phone as early as December 21 when the call centre is open — you get could this money by Christmas!

### Which Canadians are eligible?

You must be at least 19 years old and live in B.C. on December 18, 2020. You must also have filed the 2019 Canadian personal income tax return, because how much money you're eligible for will depend on your net income in 2019.

You must also have a valid social insurance number or an individual/temporary tax number.

### How much tax-free money will you get?

B.C. eligible families and single parents with a 2019 net income of up to \$125,000 can get a one-time \$1,000 of tax-free payment. Those with a net income of up to \$175,000 will get a reduced benefit amount.

B.C. individuals who had a 2019 net income of up to \$62,500 can get \$500. Those with a net income of up to \$87,500 will get a reduced benefit amount.

### Invest your B.C. Recovery Benefit in your TFSA

Since it's around Christmas time, it can be really easy to just spend the tax-free payment on presents or a feast. However, if you don't need to spend the money on necessities, it could serve you better, in the long run, to invest the amount in your Tax-Free Savings Account (TFSA).

If you still have TFSA room for this year, you can immediately make your contribution. If not, you only have to wait a few weeks, when the new year rolls around, to get a new \$6,000 TFSA contribution limit.

You can set up your TFSA to earn tax-free passive income starting with **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). The North American energy infrastructure giant of pipeline, storage, and renewable power assets just increased its dividend. The dividend hike marks the start of its 25th year of consecutive dividend increases.

The stock is depressed. So, right off the bat, you can get your hands on this high-yield name to generate about \$465 next year on a \$6,000 investment. It has a capital growth program to support dividend growth that exceeds inflation over the next few years.

A recovering economy should also drive the continued comeback of **CIBC** ([TSX:CM](#))([NYSE:CM](#)) stock. The big bank stock recovered from the depths of the market crash earlier this year. Currently, it provides a 5.2% yield. A \$6,000 investment in your TFSA will generate annual passive income of about \$312 in the first year. You can also expect dividend growth from the quality bank stock when the economy normalizes.

With blue-chip dividend stocks like Enbridge and CIBC, you can invest and sit back to watch the passive income roll in. Importantly, they trade at reasonable valuations.

Therefore, other than above-average dividend income, buyers today, with an investment horizon of at least three years, should also experience at least market-matching price appreciation.

## The Foolish takeaway

The Canadian government has provided a number of recovery benefits this year, including the CERB and CRB. Local governments have also worked to help those in need. If these programs allow you to have excess cash, you should consider investing the amount to make your money work for you to better secure your financial future.

### CATEGORY

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2. Dividend Stocks
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4. Investing
5. Stocks for Beginners

### TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:CM (Canadian Imperial Bank of Commerce)

4. TSX:ENB (Enbridge Inc.)

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