



CRA Tax Relief: If You Have Children, You Can Get \$14,004

Description

The COVID-induced school closures and stay-at-home orders sent shockwaves through Canadian families. Daily routines, especially of parents, changed dramatically. They have to juggle between work and parental duties during the pandemic. Besides the physical and mental pressure, [financial strain](#) became a vital concern.

How the Canada Child Benefit works

Fortunately, the federal government is ever ready to extend a helping hand. The most significant economic and [tax relief](#) in 2020 is the Canada Child Benefit (CCB). Families eligible for the benefit received a one-time payment of \$300 per child in addition to the May 2020 CCB benefit.

With the 2020-21 benefit year enhancements, parents will receive more effective July 2020 up to June 2021. If you filed your 2019 tax return, there'd be no disruption in payments.

Here is how much you could possibly earn with the CCB:

- CCB Jan to June 2020: $>\$553.25 \times 6 = \$3,319.50$
- CCB July to Dec 2020: $>\$563.75 \times 6 = \$3,382.50$
- CCB top-up May 2020: $>\$300.00$
- Total per child under 6: \$7,002

Thus, a two-parent family with two children under six could receive as much as \$14,004 total until December 2020 if you are below a certain income level. It's based on your income in 2018 and 2019, so check the CRA website to find out if you qualify.

Non-taxable benefit

The CCB is the best gift to parents all year round, because it's a non-taxable benefit. It should help families cover the cost of raising children under 18. The CRA stops the payment when your child turns

18. To receive the CCB every year, you must your income tax return with your spouse or common-law partner.

Apart from the CCB, other tax breaks or credits are available to parents. Parents can claim the birth-related medical expenses, eligible dependent amount, Canada caregiver amount (for children under 18), and the child-care expense deduction.

Boost your family income

Parents can boost their respective household income outside the government's emergency measures. If you have extra funds to use your Tax-Free Savings Account (TFSA) contribution, consider investing in **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)). The energy stock pays an over-the-top 8.99% dividend. Also, the payouts are monthly, so you'll have a recurring income stream for spending purposes.

The \$16.99 billion oil and gas midstream company is gearing up for 2021. Management is allocating \$785 million for capital expenditure and recommencing operations on two postponed projects (Peace Pipeline expansion and the Empress Co-generation facility). Because of the twin projects, Pembina Pipeline has more growth opportunities to expand its presence across the entire value chain.

Oil producers are likely to restart shut-in activities and increase capital expenditure since prices are slowly recovering. The current share price of \$30.89 (31% discount) is a good entry point. Analysts forecast the stock price to climb 36% to \$42 in the next 12 months.

New proposal

The 2020 Fall Economic Statement proposes new measures, so Canadians can better navigate the pandemic. It also aims to support the country's robust and resilient recovery. The federal government wants immediate relief for low- and middle-income families, as it combats COVID-19's second wave.

If passed, low- and middle-income families with young children under age six will get up to \$1,200 through the CCB. The government estimates about 1.6 million families and roughly 2.1 million children to be the direct beneficiaries. The new support for families is in addition to the regular, tax-free CCB payments.

Canadians face a challenging winter as the pandemic continues to grind. The vaccination campaign has begun, although the timeline to complete 100% of the population is December 2021. Meanwhile, the announced additional support for parents and children ensure families have the needed support until the country emerges from this crisis.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)

2. TSX:PPL (Pembina Pipeline Corporation)

PARTNER-FEEDS

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

Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

Date

2025/08/01

Date Created

2020/12/25

Author

cliew

default watermark

default watermark