



CRA: Claim Your \$2,000/Month CRB for November and December Today

Description

The last year was unique, as the Canada Revenue Agency (CRA) gave several cash benefits in the wake of the pandemic. One most common benefit was the \$2,000/month Canada Recovery Benefit (CRB). I have been warning you, do [not collect your CRB](#) for November and December 2020 if your 2020 taxable income has crossed \$38,000. The CRA will claw back some or all of the CRB you collected when you file your tax returns.

The CRB clawback

If your 2020 taxable income surpasses \$38,000, the CRA will take away 50% of your surplus income up to the CRB amount you collected. And this clawback will happen as early as April. This means that if you earned \$40,000 and took \$1,800 in CRB, the CRA will charge \$1,000 (50% of \$2,000) in CRB repayment. Plus, it will tax you on the \$40,000 amount. That's a hefty bill for April.

Hence, I suggested that you delay claiming CRB payment to the 2021 tax year. Now is the time to collect those retroactive benefits.

Claim your retroactive CRB for November and December 2020 now

The CRA is giving eligible Canadians \$1,000 in CRB for every period. One period constitutes two weeks. You can apply for the CRB on the following Monday after the two-week period and 60 days from then.

For the October 25 to November 7, 2020, period, the CRB [application window](#) is open till January 6. If you meet all the requirements, apply now before it is too late. You can also apply for the remaining periods of November and December 2020. It's not like the CRA won't claw back this retroactive benefit. But it won't do so before April 2022. This way, you will get to use the CRB for 15 months.

Make sure you submit your CRB application before January 6. The CRA will review your application and transfer \$900 (after deducting 10% tax at source) into your account in five business days. Ensure your direct deposit details are updated on your MyCRA Account.

Make the most of your retroactive CRB payments

You will probably get the CRB money by mid-January. If you applied for both November and December CRB, you can get up to \$3,600 in retroactive payments. I would suggest you set aside some of this money and invest it in resilient stocks through your Tax-Free Savings Account (TFSA). That way, you can earn some investment income from the CRB without paying taxes on it.

One such resilient stock is **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)). Descartes is into supply chain management and logistics solutions. The nature of the business itself is resilient. People will consume goods even in a recession and in economic growth. And with the globalization of trade and e-commerce growth, the supply chain is getting complex, creating demand for Descartes's solutions.

The company has a diverse customer base ranging from e-commerce to airlines. It has further diversified its portfolio from a single-trade solution like tariff and duty content to end-to-end solutions. During the pandemic, Descartes saw significant demand from e-commerce customers. This drove its stock 30% last year. As the economy recovers, the trade will flourish, and the demand will return in some sectors.

Many analysts have cautioned that the 2020 stock market rally is similar to the 2000 tech bubble. It's true for Descartes also, as the stock is trading at its October 2000 level. But unlike 2000, the stock has rallied to this level gradually over the last seven years. The tech stock has the potential to grow double digits this year as well.

Investor takeaway

If you put \$600 from your retroactive CRB money in Descartes, the stock can earn you \$120 before the CRA can claw back the benefit.

CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:DSGX (Descartes Systems Group)
2. TSX:DSG (The Descartes Systems Group Inc)

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