



CRA: 3 Important Dates to Remember in 2021

Description

The Canada Revenue Agency (CRA) has clearly defined deadlines for all its programs and tax formalities. If you're a taxpayer, saver or investor, here are the three key dates you need to keep in mind for 2021.

CRA tax deadline

The deadline to file your tax return is April 30th. But if you're self-employed, it could be June 15th. Either way, you must *pay your taxes* before April 30th.

This year's filing is likely to be exceptionally complicated. You may need to account for benefit payments, special business loans, loss of income or capital gains from the stock market. It's best to start preparing right away and set some cash aside to pay your taxes on time.

TFSA contribution date

Canadians can contribute up to an additional \$6,000 to their Tax-Free Savings Account (TFSA) from January 1. This means you can buy more stocks that you intend to hold for the long-term and expect a tax shield.

RRSP contribution deadline

While the TFSA is for after-tax savings, you could contribute some cash to the registered retirement savings plan (RRSP) to reduce taxes right away. Any contribution to the account is deducted from your pre-tax income, reducing your bill to the CRA. The deadline for this contribution is March 1.

Prioritizing the RRSP over the TFSA could be a good idea. However, maximizing both accounts and deploying them in the right assets is an essential step towards financial freedom. Here's a robust long-term stock that could be ideal for either account in 2021.

Safe and reliable dividend stock

Few industries are as predictably profitable as the utilities sector. Which is why **Fortis Inc** ([TSX:FTS](#))([NYSE:FTS](#)) is usually my top pick for a long-term registered savings account.

As one of the largest suppliers of electricity across North America, Fortis is a safe bet for predictable cash flows. The stock currently offers a [3.9% dividend yield](#). That dividend is paid out of only 72% of the company's earnings, so there's a margin of safety.

In fact, this margin of safety, coupled with the steadily growing demand for electricity, has allowed Fortis to deliver 46 consecutive dividend raises over the past five decades — a bonafide Dividend Aristocrat.

Looking ahead, there are two reasons I'm bullish on Fortis for the next five decades. One is population growth. Canada's immigration system has the potential to steadily expand the population for decades. More households means more demand for energy.

However, the electrification of transport is a bigger factor. As cars and trucks become electric, Fortis could see an unprecedented surge in demand for its core service. This means investors can safely expect dividend bumps every year for the foreseeable future.

Bottom line

The CRA has strict deadlines for RRSP contributions and tax filings. TFSA contributions, of course, are already open. Every saver needs to keep these dates in mind and plan their finances accordingly. Meet the deadlines, mitigate taxes and invest wisely to secure your financial freedom. Good luck!

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