



## Got Children? You Can Get an Extra \$1,200 From the CRA in 2021

### Description

The Canada Child Benefits (CCB) enhancements in July 2020 came in a timely fashion. Eligible recipients had [more money in their pockets in 2020](#), including an extra \$300 on top of the regular May 2020 payments. This year won't be any different. If you have children, expect adequate financial support to navigate the pandemic.

### Benefit amounts

A CCB benefit year begins in July of every year and ends in June the following year. The maximum annual benefit amount from July 2020 to June 2021 is \$6,765 for each child under age six and up to \$5,708 per year for each child between the age of six and 17.

For the next payment cycle (July 2021 to June 2022), a child under age six will receive a maximum annual benefit of \$6,833, while children and between age 6 and 17 will get a maximum benefit is \$5,765. Remember, the CCB is a tax-free benefit, but the amount depends on the number of children and adjusted family net income (AFNI).

As sample computation, parents with at least one child below six can receive up to \$6,799 in 2021. If the lone kid is between six and 17, the tax-free payment is \$5,736.50. The Canada Revenue Agency (CRA) reminds parents eligible to receive CCB to file their income tax returns. Your benefits will discontinue if the CRA can't assess your income due to the non-filing of the tax return.

### More critical support

The Canadian federal government plans to introduce short-term pandemic relief measures and more critical support to families in 2021. November 30, 2020, Finance Minister Chrystia Freeland mentioned a proposal to add \$1,200 more for [families with young children](#).

Hence, families with children below six could receive four additional payments in 2021. The first payment will come after approval, and subsequent payments will be at the end of April, July, and

October 2021. The amounts will again vary depending on the AFNI. For income \$120,000 and below, the benefit amount is \$300 per child. If the AFNI is more than \$120,000, the tax-free money is \$150 per child.

## Revered income stock

The income support Canadian families are receiving from the Canada Revenue Agency (CRA) is substantial. Potentially, parents with one kid below six can receive as much as \$8,000. If you have an equivalent amount in free cash, you can invest in a revered dividend-payer like **Canadian Utilities** ([TSX:CU](#)).

This \$8.57 billion diversified utility company excels when it comes to the dividend growth streak. Canadian Utilities has raised its dividends for 48 consecutive calendar years. If you invest today (\$31.25 per share), the dividend offer is 5.57%. An \$8,000 investment will produce \$445.60 in extra income.

Another compelling reason to invest in Canadian Utilities is its defensive nature. Utility stocks are generally boring investments, but it offers capital protection and dividend safety. Canadian Utilities is under **Atco Ltd.**, and electricity, pipelines & liquids and retail energy are its core businesses. The best part is that 86% of earnings come from regulated assets.

## No effect on other income-tested benefits

The COVID-induced recession could be a long and drawn-out period. Parents should take comfort in the federal government's undying support for families during this challenging environment. Furthermore, the receipt of CCB benefits will not affect other income-tested benefits.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:CU (Canadian Utilities Limited)

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