CRA Cash Benefit: 1 Easy Step to Get Up to $850

Description

The Canada Revenue Agency (CRA) has been magnanimous and extra accommodating during the pandemic, because it understands the economic blow businesses and households sustained from COVID-19. Money is tight, and the tax agency allows people who missed on certain benefits to claim them retroactively.

A particular benefit that helps Canadian families offset the yearly tax burden is the Good and Services Tax Credit (GSTC). Any payment for most goods and services in Canada comes back in the form of a tax-free payment. The CRA pays the GSTC every quarter to individuals.

However, the CRA computes the GSTC amount based on the income level during the previous taxation year-end and the number of claimants' children. On April 9, 2020, people eligible for the benefit received a $400 one-time additional credit payment. If you didn't receive the special emergency credit plus more, take one easy step to get as much as $850.

Retroactive claim

The CRA can extend a double GSTC benefit for the 2019-20 period retroactively to individuals who didn't file their returns for the 2018 tax year. If you don't dilly-dally and file the return ASAP, a single individual with an adjusted family net income (AFNI) between $20,000 and $38,000 stands to receive $400 plus $451 (emergency payment + maximum GST credit).

For married individuals with an AFNI of less than $38,500, the CRA's total credit is $1,192 ($592 + $600). It's worth claiming the GSTC, even retroactively, because it's tax exempt. All you need to do is exert effort to update your 2018 tax return with the CRA at the soonest time possible.

Keep the benefit coming

Most of the federal benefits are tied to personal income tax returns. Thus, you lose many and risk payment disruptions if you don't file your taxes on time. If you're eligible, the CRA automatically determines the GSTC amount due after filing your tax return. For late filers, the tax agency will stop the payments and reinstate them once you file an updated tax return.

In case your unaware, an $850 to $1,100 free cash equivalent to the GSTC is sufficient as seed capital for investment purposes. You can use the money to invest in a Tax-Free Savings Account (TFSA) and earn tax-free income in 2021. Among the right choices for TFSA investors with limited funds is **NorthWest Healthcare** (TSX:NWH.UN).

The $2.31 billion real estate investment trust (REIT) is a generous dividend payer. You can purchase this real estate stock at less than $15 per share and partake of the 6.07% dividend. NorthWest generates resilient cash flows from rental collections. The high-quality healthcare real estate infrastructures (160 properties) consist of hospitals, medical office buildings, and clinics.

NorthWest is relatively invulnerable to the economic cycles, particularly in the health crisis. Since the average lease expiry term of tenants is 15 years, the REIT's occupancy rate should remain high for years. Likewise, nearly 80% of the lessees are government funded. This info should give you the confidence to invest in the only REIT in the cure sector.

CRA credit notice

The CRA again encourages taxpayers to file early this year. You can file online starting February 22, 2021. If you're eligible to receive GSTC credits based on your 2020 tax return, expect to receive the CRA credit notice in July 2021.

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