



## Have a Child? The CRA Could Give You Up to \$8,000 in 2021

### Description

The coronavirus brought indescribable physical, mental, and financial stress to Canadian parents. Aside from the threats to income and job security, the pandemic forced parents to assume more childcare responsibilities. Schools and daycare facilities were closed down so as prevent the spread of COVID-19.

Fortunately, [income support exclusively for parents](#) isn't lacking in this challenging time. The Canada Revenue Agency (CRA) granted a one-time top-up of \$300 in May 2020 to eligible Canada Child Benefit (CCB) recipients. Similarly, the increased payments in the 2021-22 benefit period came in the nick of time in July 2020.

This year, if you have a child, you could receive as much as \$8,000 in child support per child from the CRA. Parents will have more money in their pockets through the CCB. The federal government has [additional tax-free benefits for selected families](#).

### Basic CCB

Based on the benefit periods 2020-2021 and 2021-22, eligible CCB recipients with at least one child below six years old could receive \$6,799. For January to June 2021, the total payments should be \$3,382.50 (\$563.75 x 6). Starting July to December 2021, total payments would be \$3,416.50 (\$569.42 x 6). Hence, the full CCB payment is \$6,799 for 2021.

Below is the annual base benefit corresponding to the children's ages for easy reference:

CCB base benefit, child under 6:                      \$6,765 (2020-21)    \$6,833 (2021-22)

CCB base benefit, child aged six to 17:    \$5,708 (2020-21)    \$5,765 (2021-22)

The CCB benefit varies depending on the number of children and ages as well as the adjusted family net income (AFNI). Marital status will also determine the benefit amount.

## Young families will receive more

A temporary CCB top-up is coming from the CRA in 2021. The latest federal economic package from the federal government focuses on parents with children under six years old. Hence, younger families are poised to receive nearly \$8,000 total this year.

The CRA is preparing to disburse an additional \$300 in four installments, provided the AFNI is below \$120,000. In case the AFNI exceeds the income threshold, the top-up is \$150 per child, also in four equal payments.

## Boost family income

Canadian parents with can invest in **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) to further boost family income. The \$50.25 billion telecom giant pays a lucrative 5.93% dividend. A \$50,000 position can produce \$2,965 in passive income. Telco stocks are among attractive income sources today and in the post-pandemic era.

BCE will deliver stable, recurring income streams to would-be investors, given that connectivity and telecommunication services are 24x7 needs. Moreover, the business should outlast catastrophic events like the pandemic and other unforeseen market disruptions. Income investors need defensive and recession-resistant assets.

The competitive edge of BCE is the near-monopoly in the telecom industry. It's the largest and most dominant among the three stalwarts. Subscriber growth is a given in the coming years, and so is dividend growth to loyal BCE investors. Give it serious consideration as analysts also forecast the price to climb 24% to \$69 within a year.

## File your tax return early

The CRA encourages parents with children to promptly file their income tax returns to avoid CCB payments disruption. Remember, the tax agency will use the information in your tax return to determine eligibility and calculate the benefit amount. The tax filing deadline for the 2020 income year is near, so file your return early.

### CATEGORY

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