



CRA Cash Benefit: Don't Miss Out on the \$886 Refund

Description

Last year was a roller coaster ride for everyone, with significant ups and downs. Some businesses and their employees prospered while some went bust. The Canada Revenue Agency (CRA) understands the hardships that many individuals went through during the pandemic and was very accommodating. It offered generous cash benefits last year. It's even allowing those who couldn't claim their free cash to collect it retroactively. And I strongly recommend you claim this retroactive benefit as it is tax-free.

The CRA gives many cash benefits to taxpayers based on their family income, marital status, and the number of children. The tax system is designed in such a way that it gives more benefits to low and mid-income earners.

Have you ever visited a doctor or had a meal at a restaurant? The bill that you pay for buying most goods and services bears a tax element. As low and mid-income earners spend a higher portion of their overall income on paying this indirect tax, the CRA gives a Goods and Services Tax (GST) refund.

The CRA has set a certain income bracket under which it gives a GST refund. It considers your previous year's income tax returns to calculate your GST refund for the period from July to June.

The CRA's \$886 refund

In 2020, many people could not file their 2019 income tax returns by April 30, 2020, because of the pandemic. The CRA accommodated the tax filing date to September 30, 2020, and gave a one-time GST credit equivalent to what you got for the entire July 2019 – June 2020 period on April 9, 2020. For that period, a single individual with an adjusted family net income (AFNI) of \$38,000 received up to \$443 in GST refund.

After [adding](#) the emergency GST refund, they got up to \$886 in the July 2019-June 2020 period. A married couple got up to \$1,160. A family of three with a child under 19 got up to \$1,740. (The CRA gives up to \$290 in GST refund for the first eligible child.)

If you did not receive this \$886 refund, don't let it slide. It is the money you paid in indirect taxes, and

you deserve to get it back.

How to claim the \$886 refund from the CRA

The CRA allows you to claim any benefits retroactively within three years. As the emergency refund used the 2018 tax return, you have until this year to file your 2018 income tax return and claim the retroactive payment. If you are not earning and have an annual income below \$38,000, an \$886 tax-free amount can be useful. It is a decent amount to start your savings portfolio.

All you have to do is file your 2018 returns and ensure your personal and bank details are updated. The CRA will scrutinize your returns and calculate the GST credit. You may get the credit probably on the fifth of April, July, October, or January, depending on when you file returns.

Convert the \$886 refund into \$2,600 in two years

As this \$886 came in as free money, use it by investing in high-growth stocks through the Tax-Free Savings Account (TFSA). **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) can help you double and even triple your money in two years. This high-growth tech stock started trading on the **Toronto Stock Exchange** in March 2019 and has surged fourfold in two years.

When you are looking for a growth stock, look at the company's revenue growth rate and its potential to continue growing in the near future. Lightspeed is an omnichannel solution that is gaining recognition in the retail and hospitality verticals. It still has a vast market share to tap, new verticals to explore, new geographies to conquer.

Lightspeed has immense growth potential in the coming two years. Although investors have already priced high growth expectations, there is room for more growth as such is the power of [scalability](#). It can convert the \$886 to \$2,600 in the coming two-three years while it is still in the high growth phase.

CATEGORY

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