



CRA Cash Benefits: Parents Don't Miss Out on the 1-Time \$300 CCB/Child

Description

Hindsight is 2020! Last year was a big lesson for the world. A virus shook the biggest economies and locked everyone in their homes. But it also gave parents time to spend with their kids. The internet was flooded with creative ways parents used to keep their young ones engaged and prevent them from going out. The Canada Revenue Agency (CRA) supported the parents with the Canada Child Benefit (CCB) — a one-time payment of up to \$300 in May 2020.

The one-time \$300 CCB

If you didn't receive this one-time payment at the peak of the pandemic, you can claim it now. The CRA gives the CCB to those who file their taxes regularly. The CCB is a tax-free cash benefit the CRA credits into your account every month to help you pay for the child care.

The CRA looks at your income tax returns you file in April and gives you benefits in the July-June period. It calculates the benefits depending on your income, marital status, and the number of children.

If you did not file your 2018 tax returns, the CRA paused your CCB for the July 2019-June 2020 period. Hence, you didn't get the one-time \$300 CCB/child. If you have two children under 18, you can get up to \$600 in emergency CCB, depending on your income.

How to get the one-time \$300 CCB/child

Even if you missed out on the May 2020 payment, you can still collect your benefits retroactively. The CRA allows you to file your tax returns of up to three years and collect retroactive benefits payments. You should file your 2018 returns, because the CRA offered more than \$300 in tax-free emergency CCB during the April-July 2020 lockdown:

- A \$450 [emergency goods and a service tax credit](#) on April 9, 2020, and
- A \$300 emergency Old Age Security pension (OAS) and \$200 Guaranteed Income Supplement (GIS) on July 6, 2020.

These one-time benefits are not taxable.

The CRA introduces an additional \$1,200 CCB for 2021

I would suggest you file your 2019 and 2020 tax returns if you are a parent of a kid under six and your net family income is less than \$120,000. The Canadian government has [introduced](#) a temporary CCB of up to \$1,200 in 2021 for each child under six. This CCB is over and above the basic CCB of \$6,833 that a family earning less than \$32,028 will get for children below six.

Save for your child's future

The CRA offers many cash and tax benefits for child care. While you spend a lot on your child's present, it is equally important to spend for your child's future. The CRA helps you even here. You can invest up to \$50,000 in a lifetime in the Registered Education Savings Plan (RESP) and deduct your contribution from the taxable income.

Every year, if you set aside \$5,000 (around \$100 a week) in an RESP, your accumulated amount will reach \$50,000 in 10 years. For 2021, you can consider investing your \$5,000 contribution in **iShares S&P/TSX Capped Information Technology Index ETF** ([TSX:XIT](#)). When building a portfolio, not all your investments will give you good returns. The idea is to balance the losses with higher profits to stay positive. The XIT ETF will do just that. With its 19-stock portfolio, it will accelerate your upside and mitigate your downside.

The coming decade will see the rise of Canadian tech stocks. Canada is gradually making its mark in the global tech space, with **Shopify** next in line after **Amazon** in the list of e-commerce giants. **BlackBerry** is looking to tap the electric vehicle momentum.

The XIT ETF will give you exposure to the entire Canadian tech sector for less than \$50. If you invested \$10,000 in the XIT ETF five years back, you would now have \$40,300 in your RRSP. Even if the ETF can replicate 50% of its last decade's returns, your child will have a good amount when they pursue higher studies.

CATEGORY

1. Investing
2. Personal Finance
3. Tech Stocks

TICKERS GLOBAL

1. TSX:XIT (iShares S&P/TSX Capped Information Technology Index ETF)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing
2. Personal Finance
3. Tech Stocks

Date

2025/07/08

Date Created

2021/02/23

Author

pujatayal

default watermark

default watermark