



CRA Cash Benefit: Do Not Miss the \$886 Refund!

Description

Last year was a roller coaster ride for the world with ups and downs, but mostly significant downs. Some businesses and their employees did prosper due to the changing landscape amid the COVID-19-induced lockdowns. Other companies buckled under the pressure.

The Canada Revenue Agency (CRA) understands the challenges posed by the situation for individuals. The government agency was busy accommodating Canadian individuals and businesses during the challenging times, offering several cash benefits and [tax credits](#) to those affected by the pandemic.

CRA even allowed many Canadians who could not claim their cash benefits earlier to collect retroactive payments. Today I will discuss a crucial CRA cash benefit that you should consider claiming.

The \$886 refund you shouldn't miss

The CRA gives many cash benefits to taxpayers based on their family income, marital status, and how many children they have. The tax system has been designed to give more benefits to low and mid-income earners.

Suppose you have a meal at a restaurant as a low-earning Canadian. The bill you pay for the meal bears a tax element. As a low-income earner, you are spending a higher portion of your overall income on paying the Goods and Services Tax (GST). The CRA is offering a tax refund for Canadians for low and mid-income earning Canadians.

In 2020, many people could not file their 2019 income tax returns by April 30, 2020, and the CRA accommodated them by extending the filing date to September 30, 2020, and gave a one-time GST credit equivalent to what Canadians received for the entire July 2019 to June 2020 period on April 9, 2020.

A single Canadian with an adjusted family net income (AFNI) of \$38,000 received up to \$443 in GST refund. After adding the emergency GST refund, Canadian individuals received up to \$886 in the July

2019 to June 2020 period. If you have not received the refund yet, I suggest that you do not let the money slide. You already paid the money in indirect taxes, and you should get it back if it is available.

How to claim the CRA cash benefit

You can claim cash benefits retroactively within three years. Since the emergency refund used the 2018 tax return, you have until this year's tax season to file your 2018 income tax return and claim the retroactive payment. If you are currently not earning and have an annual income lower than \$38,000, a tax refund of \$866 could be a significant sum.

All you need to do to claim is file your 2018 tax returns and ensure that you have updated your personal and bank details. The CRA will inspect your returns and calculate the GST credit. You might get the tax refund on the fifth of April, July, October, or January, depending on when you file your returns.

Growing your CRA refund

If you qualify for and collect the \$886 refund, you could use it by investing in a reliable growth stock like **Hydro One Ltd. (TSX:H)** in your Tax-Free Savings Account (TFSA). By investing in the dividend-paying stock, you can effectively use the free money to earn tax-free growth for your capital and increase the value of the \$886 you received.

Hydro One is an excellent high-yield stock that you can consider [holding in your TFSA for decades](#). The stock's valuation declined by almost 12% between January 25 and February 24, 2021, but it has been on the upward trend again, gaining 5.88% between February 24 and March 10, 2021. The decline for the stock was overdone and has quickly bounced back.

Foolish takeaway

Hydro One virtually enjoys a monopoly over Ontario's transmission lines. The utility sector operator is rarely rattled by volatile equity market environments and can continue to deliver stable returns to its shareholders.

It could be an excellent income-generating asset to park your funds in your TFSA to enjoy wealth growth on the \$886 GST refund by the CRA.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:H (Hydro One Limited)

PARTNER-FEEDS

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