



## Canada Revenue Agency: How to Claim up to \$17,100 in CRB in 2021

### Description

The Canada Revenue Agency (CRA) is offering \$2,000/month in COVID-19 benefits to Canadians above 15 if they earned \$5,000 in 2019 or 2020 in working income. One of the most popular benefits is the Canada Recovery Benefit (CRB). But the CRA deducts a 10% withholding tax from the benefit. The CRA is changing the benefit as the pandemic situation develops. In the latest development, it has extended the CRB by 12 weeks.

### All you need to know about the CRB extension

The CRA is giving out the CRB if you lost your job or got a pay cut because of the pandemic. But you will fall through the cracks if you voluntarily quit your job or took a pay cut. Hence, be wary if your employer asks you to voluntarily quit, as you might not get the CRB.

The CRA wants you to search for a job and follow the government's travel ban. This means it will reject your CRB if you are in the 14-day quarantine after international travel.

Initially, the CRA allowed every qualified Canadian to get up to \$900 in CRB for a period of two weeks for up to 26 weeks. These 26 weeks, or 13 periods, should fall between September 27, 2020, and September 25, 2021. This means you could get up to \$11,700 after tax in the CRB

But in February, the Justin Trudeau government extended the CRB by 12 weeks to 38 weeks. This means you can claim the CRB for 19 periods of two weeks each. This period ends on September 25, unless the government extends the CRB period. After the extension, every eligible Canadian can get up to \$17,100 in CRB.

### How to claim the maximum CRB

The CRB lasts for 26 periods, and 12 [periods](#) have already passed, leaving only 14 periods. If you have not claimed the CRB, despite meeting the requirements, you can do so now and get the benefit for 18 periods (\$16,200).

The CRA opens the application window for every CRB period on the following Monday and keeps it open for 60 days. As of the writing, the CRB application window from the ninth period (January 17-30) is open till March 31. You can make a retroactive claim for this period if you meet all the requirements.

If you didn't apply for the benefit over fear that the CRA will claw it back, then you can rest assured. The CRA won't touch your CRB until your 2021 income, excluding the CRB, crosses \$38,000. This means you won't face a clawback up to an income of \$55,100 after, including the maximum CRB.

## Make your CRA benefits last for a lifetime

The \$17,100 CRB will add \$2,565 to your 2021 federal tax bill. Your CRB can earn its tax bill and share the burden of your future taxes if used wisely. During the 18 periods you claim the benefit, put \$200 from every \$900 CRB payment in your Tax-Free Savings Account (TFSA). In 18 periods, you will accumulate \$3,600.

You can divide this money into [growth](#) and dividend stocks. One stock that gives you the best of both worlds is **BCE** ([TSX:BCE](#))([NYSE:BCE](#)), the largest telecom operator in Canada. The company has survived several crises, heavy expenditure, and consolidation. Today, it is operating one of Canada's largest 4G LTE networks at 42% adjusted EBITDA.

The next-generation communication of 5G is multifold bigger than the 4G LTE. BCE has been paying dividends since 1983 and has been increasing them at a compounded annual growth rate (CAGR) of 7.1% for 12 years. In 2021, it increased its dividend per share by 5.1%. This is because its growth was impacted by the pandemic, and it accelerated capital spending to expand its 5G footprint. But once the 5G growth starts reflecting in the revenue, it might accelerate its dividend growth.

At present, BCE stock has a dividend yield of 6.09%, which means \$1,500 will earn you \$90 in annual dividends. If the company increases the dividend at a 6% CAGR, your dividend income will grow to \$155 by 2030. This growing TFSA dividend will be tax-free and help you with your future tax bills.

### CATEGORY

1. Coronavirus
2. Dividend Stocks
3. Investing
4. Personal Finance

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)

### PARTNER-FEEDS

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