



Canada Revenue Agency: How to Keep Getting the \$8,033 Canada Child Benefit

Description

Canada has a progressive tax system. The Canada Revenue Agency (CRA) gives low- and mid-income earners several cash benefits and reduces their tax bill by offering several tax benefits. These benefits depend on your age, income, marital status, the number of children, and the time you lived in Canada. Parents of children below 18 can get up to \$8,033 in the Canada Child Benefit (CCB). I will talk in length about how you can continue getting the CCB.

How to get the \$8,033 Canada Child Benefit

The CCB is a tax-free benefit that is excluded from your adjusted family net income (AFNI). And the CCB is no small amount. If your 2020 AFNI is below \$32,028, you can get up to \$8,033 in CCB, or \$669 per month. Unlike the COVID-19 benefits, the CRA will not include this amount in your taxable income.

If you want to get the CCB, you have to file your income tax returns regularly. If you haven't filed your returns for some reason, you can file them now and claim retroactive CCB. But the retroactive claims only apply for the last three years. So, don't delay tax filings for long.

How does the CRA calculate the Canada Child Benefit?

The CRA calculates the CCB amount on three parameters:

- AFNI
- The number of children
- The age of children

For 2021, the CRA is giving the regular CCB and a special CCB. In the regular CCB, you can get a [maximum](#) of \$6,833 for a child under six and \$5,765 for a child between six and 17 years of age. The benefit starts phasing out if your 2020 AFNI surpasses \$32,028. The phasing out happens at two levels: surplus income and the number of children.

For instance, Maya and Jack have two kids: one is five and the other is seven. Their AFNI is \$50,000, which is \$17,972 above the CCB phase-out threshold. The CCB will phase out on both levels.

- For the first child, who is seven, the CCB will phase out at 7%, and they will get the CCB of \$4,507 (\$5,765 – (7% of \$17,972)).
- For the second child, who is five, the CCB will phase out at 13.5%, and they will get the CCB of \$4,407 (\$6,833 – (13.5% of \$17,972)).

Maya and Jack are also eligible for the special CCB of \$300/quarter for parents of children under six with an AFNI of less than \$120,000.

After adding the regular and special CCB, a family earning below \$32,028 can get up to \$8,033 CCB for their child under six.

How to continue getting the special benefit

The \$1,200 special CCB will stop next year. But you can make it last longer. Invest a portion of the special CCB in your Tax-Free Savings Account (TFSA). Even if you invest \$500 in a growth stock, it can give you a special CCB for the long term.

You can create a well-diversified TFSA portfolio [with \\$500](#). There are many quality stocks under \$50 and \$100. Every stock has a different purpose. For instance, growth stocks are for investors looking for capital appreciation, and resilient stocks are for risk-averse investors who want to beat inflation.

You can invest a portion of \$500 in **Descartes Systems** ([TSX:DSG](#))([NASDAQ:DSGX](#)). Descartes is a resilient stock with steady revenue and EBITDA growth. It has a diversified customer base that uses its end-to-end supply chain management offering or one offering. As long as goods, people, and information trade, Descartes's solutions will have demand. The mission-critical nature of its offering helps Descartes stock surge at an average rate of 20%. After falling 8% from its February high, the stock is back to rallying, as e-commerce orders gather momentum.

CATEGORY

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1. NASDAQ:DSGX (Descartes Systems Group)
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Author

pujatayal

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