



CCB Young Child Supplement 2021: Do You Qualify?

Description

More money in the bank is coming to families who are eligible to receive the Canada Child Benefit (CCB) and have children below six years old. The federal government isn't reneging its promise to provide the CCB young child supplement (CCBYCS). The first of three installment payments will begin on May 28, 2021.

The Honourable Diane Lebouthillier, minister of National Revenue, and the Honourable Ahmed Hussen, minister of Families, Children, and Social Development, jointly announced the good news on May 12, 2021. The federal government in Canada is aware that young families need to cope with unpredictable expenses brought about by the COVID-19 pandemic.

Families could receive up to \$1,200 in support per child under the age of six in 2021. About 1.6 million Canadian families and nearly 2.1 million children under six could receive \$1,200 (per child) CCBYCS. Parents can use the extra financial support to pay for healthy food, clothes, home activities, short-term child-care arrangements, and other child-related expenses.

Who can qualify?

To qualify for the 2021 CCBYCS, a family's net income must be \$120,000 or less. Each child under six will receive \$300 per payment for a total of \$1,200. On May 28, 2021, the first payments would be \$600 (\$300 x 2), representing the January and April 2021 installments.

The government will issue the last two payments of \$300 each on July 30 and October 29, 2021. Families with net incomes of more than \$120,000 will receive half, or \$150 per payment for each child under six. The total CCBYCS per child should be \$600.

Updated tax return is a must

Families eligible to receive the CCB don't need to apply for the CCBYCS. However, the Canada Revenue Agency (CRA) will only entertain families that have filed their 2019 and 2020 tax returns. The

tax agency encourages non-filers to act soon to qualify for or reinstate their CCB and qualify for the CCBYCS, too. Remember, you must file your taxes for both years.

Financial cushion in a recession

The household savings rate in Canada increased during the pandemic. Families kept their government transfers or pandemic money instead of spending it. I suppose others saw the need to invest in having more [financial cushion](#) in the recession.

If you have free cash and an [investment appetite](#), **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) is an excellent source of passive income. Income investors and retirees prefer Canada's sixth-largest bank because of its hefty 4.41% dividend and 153-year dividend track record.

Performance-wise, CIBC investors are up 23.32% year to date. The total return in the last 48.28 years is 16,807.07% (11.21% CAGR). Its trailing one-year price return is 65%. Furthermore, market analysts see a potential 13.2% upside from \$132.53 to \$150 in the next 12 months.

The four-week "Plate It Forward" program of CIBC and **Goodfood Market** commenced on May 12, 2021. During the period, 100,000 take-home meals will be delivered to hospitals in cities and communities across Canada for healthcare workers.

Tax-free payments

Canadian families should file their tax returns so as not to miss out on the tax-free CCB payments. The benefits program is income-based, but it helps low- to middle-income families to cope with the cost of raising children under 18 years. The government released approximately \$2 billion in CCB benefits representing the special one-time CCB top-up of \$300 per child.

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