



Got a Child? You Can Get an Extra \$6,833 in CRA Money

Description

The Canada Revenue Agency (CRA) recalculates the Canada Child Benefit (CCB) benefit payments every July. If you have children and are eligible to receive the CCB, you can get an extra \$6,833 for each qualified dependent or \$569.41 per month starting next month until June 2022.

However, the actual benefit amount depends on the adjusted family net income (AFNI) from the previous year and is indexed to inflation. Also, if you were already receiving CCB, the amount could change in July 2021 due to the following reasons:

- a change in family income in 2020;
- a change in marital status;
- the number of children in your care;
- one of your children turned six or 18;
- a child is no longer in your care; or
- changes in custody arrangement.

Thus, the CCB amount in July 2021 will reflect the changes due to the reasons mentioned.

Generous government benefit

The CCB is an “income-tested” government benefit available to low-, moderate-, and some high-income families with children. Likewise, the benefit increases with inflation. For 2021, the increase versus 2020 is 1%. The CRA starts with an annual base benefit of \$6,833 for each child under age six and \$5,765 for each child age six to 17.

Note that only families whose taxable net income in 2020 is below \$38,028 can receive the new maximum CCB amounts. Hence, the CRA starts at a maximum amount depending on the number and ages of children. Moreover, the benefit reduces based on the family’s income level.

Unique year

Besides the regular CCB, families with children under six could receive an [additional \\$1,200 per child](#). The government introduced the CCB young child supplement (CCBYCS). Eligible families have received the first two installments (\$300 x 2) on May 28, 2021. The third and fourth payments will be in July and October 2021.

However, the CCBYCS follows an income threshold. The \$300 monthly payment per child under six is for families with a net income of \$120,000 or less. The installment amount is \$150 if the family's net income is more than \$120,000.

Increase CCB

Some families get higher CCB benefits through the Registered Retirement Savings Plan (RRSP). Since RRSP contributions are [tax deductions](#), maximizing the account will decrease taxable net income. Investments inside an RRSP grow or compounds tax-free until you withdraw funds.

Most RRSP users hold dividend stocks for steady income streams and sometimes capital appreciation. At \$10 per share, **Nexus** ([TSX:NXR.UN](#)) pays a high 6.4% dividend. Someone who contributes the maximum of \$27,830 in the RRSP and invests in this \$335.82 million real estate investment trust (REIT) can generate \$1,781.12 in annual dividends.

Thus far, in 2021, the real estate stock is up 33.61%. Nexus is a growth-oriented, industrial-focused, diversified REIT. Industrial properties comprise the majority of its quality portfolio, although it owns some office and retail properties.

The Q1 2021 (quarter ended March 31, 2021) earnings result prove Nexus is a resilient REIT. Its property revenues and net operating income increased by 6.4% and 8.1% versus Q1 2020. In addition, the occupancy rate is a high 94%, while the average lease term is five years.

Yearly increase

Eligible families can expect a slightly higher benefit every year, because the CCB increases by inflation, provided the income level does not change.

CATEGORY

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