



Canadian Tire vs. CIBC Costco Mastercard: Which Rewards Card Is Better?

Description

Canadian Tire and **Costco** are two of Canada's most popular retail giants (we won't talk about the third, *Walmart*). Both offer lucrative [rewards credit cards](#), the Canadian Tire **Mastercard** and the CIBC Costco Mastercard, which could save you a lot of money on everyday shopping. But which one is *better*? Let's take a closer look and see.

Card #1: the Canadian Tire Mastercard

First, the basics.

The Canadian Tire Mastercard comes with no annual fee. The card will earn you 4% in Canadian Tire money when you shop at Canadian Tire and affiliates. You'll also earn 1.5% back on grocery purchases (up to \$12,000 spent), as well as \$.05 per litre of gas at Gas+/Husky. Finally, the card has a base rate of .5%.

Card #2: the CIBC Costco Mastercard

Again, the basics.

The new CIBC Costco Mastercard will earn 3% back on all restaurant purchases, with no earnings cap. The card will also earn 3% on Costco gas and 2% at all other gas stations (both rates go to 1% after you spend \$5,000 in gas for any given year). The CIBC Costco Mastercard will earn 2% at Costco.ca for your first \$8,000 (1% after that) and has a base rate of 1%.

Note: the CIBC Costco Mastercard will be available on March 4, 2022, and you need a Costco membership (\$60) to apply.

How do they compare?

Alright, let's get down to business.

The strongest feature of the Canadian Tire Mastercard is the 4% back on Canadian Tire purchases. This 4% earn rate has no annual caps, either. That's more than double the Costco Mastercard's earn rate of 2% for Costco.ca purchases. And yes — the 4% earn rate is for online and store purchases.

But here's the catch — you'll earn 4% on Canadian Tire purchases *pre-tax*. That can put a damper on your earnings, especially for big-ticket items that incur hefty taxes. In contrast, the CIBC Costco Mastercard will earn 2% post-tax.

What about the earn rate on gas purchases? Well, it depends. If you only buy gas at Gas+ or Husky, you're likely going to save more in an equal comparison. For instance, if you buy 50 litres at Gas+ for \$1.35/litre, you'll save \$2.50 for your transaction (50 litres x \$.05 per litre). For the same transaction at Costco Gas, you'd save \$2.03 (3% of \$67.60).

Here's where it gets tricky. If you're buying gas at Costco, you're likely already saving money. Costco purposely charges less per litre than competitors. The 3% cash back is just icing on the cake. Besides — Gas+ and Husky stations aren't super common. If you buy gas anywhere else, you'll earn only .5% on your Canadian Tire Mastercard, which pales in comparison to Costco's 2% earn rate on non-Costco gas stations.

What about groceries? Here, the Canadian Tire Mastercard has a slight leg up on its competitor, at least for that first \$12,000. You'll earn .5% more on the Canadian Tire Mastercard than the CIBC Costco Mastercard (1%). After you spend \$12,000, however, you'll only earn .5%, and the Costco Mastercard takes the lead again.

At this point, the Canadian Tire Mastercard is out of ammo, but the CIBC Costco Mastercard still has one big perk: 3% back on restaurant purchases. The CIBC Costco Mastercard also has a base rate of 1%, which is higher than the Canadian Tire Mastercard's .5%.

So which is better?

Both cards have some attractive perks. I'd say, if you're looking for a card that earns more cash back for just in-store purchases, then it's hard to beat the Canadian Tire Mastercard's 4% back. Of course, that doesn't mean you'll save more money at Canadian Tire. Let's not forget Costco's prices are fairly low. But if you're going to spend \$100 at either Costco or Canadian Tire, you'll likely get more cash back at Canadian Tire.

As far as other perks: the CIBC Costco Mastercard is a great all-around rewards card, better than the Canadian Tire Mastercard. The base rate is higher, the gas rates are fairly high, and you'll earn 3% for restaurant purchases. If you combine the CIBC Costco Mastercard with a Gold Star Executive membership, which earns 2% back for in-store Costco purchases, your Costco rewards card can compete with Canadian Tire's card.

Of course, at the end of the day, it depends on where you shop the most. If you don't shop at either store, then you're probably better off applying for one of [Canada's top rewards credit cards](#), one that will earn you more rewards for everyday shopping.

CATEGORY

1. Personal Finance

PARTNER-FEEDS

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

PP NOTIFY USER

1. mhibbs
2. sporrello

Category

1. Personal Finance

Date

2025/07/25

Date Created

2021/12/20

Author

sporrello

default watermark

default watermark