



Parents: Here's Every Credit and Benefit You Can Claim From the CRA

Description

Parents have it hard on a normal basis. But during an economic downturn, it can be downright scary. The funds you receive to cover bill payments suddenly aren't enough. The money you've put aside to save suddenly is needed to cover rising costs. And even cutting back here and there may not be cutting it.

Today, I'm going to go over all the credits and benefits parents can claim from the Canada Revenue Agency (CRA). Furthermore, I'll go into what you can consider doing with those funds to make sure you and your children are set up for life.

Benefits

Once you have a child, Canadians can immediately claim several benefits. Likely the first one you'll notice is the Canada Child Benefit. This comes from the federal government, but each province and territory has their own top-up of the program you will receive at the same time. Furthermore, you will receive more for children under six, which is then cut back until your child is 18. You can find out how much you can receive by visiting the [CRA website](#), but it could be as much as \$6,997 per child per year!

If you have a child with a disability, the government has further benefits you can claim. The Child Disability Benefit is another monthly benefit parents can receive until their child turns 18. For this, again, you can do a calculation. But the max amount could be as high as \$2,985 per child.

The Canada Workers Benefit is another benefit for both individuals and families to receive if they are working and earning a low income. If you are a family, you can receive a basic amount of \$2,403 for those making under \$26,177 per year.

These are benefits any Canadian can apply for, but you should also look at what your province or territory will give you in benefits as well.

Credits

Then there are credits the CRA offers for parents and Canadians in general. For the Child Disability Benefit, you must be eligible for the Disability Tax Credit. Unlike a benefit, it doesn't come as a payment. Instead, it comes off your income tax each year to help with payments for medical needs. Disability amounts could be as much as \$13,715 for children under 17.

The Climate Action Incentive Payment is another credit you can claim on your income tax. This varies greatly from province to province and territory. But for example, if you are a family of four with two children under 17 in Ontario, you could claim \$745 on your tax return! You could also talk to CRA about making this a payment rather than a tax credit once a year since you are a parent.

Finally, the GST/HST Credit is available for families with low and modest incomes to offset the GST and HST they pay on items. This could also include payments; again, it's based on where you live in Canada. You're automatically considered when you file your taxes. You could get up to \$612 if you're married with a partner and \$161 for each child under 19.

Final consideration

Now, that you have some cash coming in and have spoken with the CRA for what you're entitled to, it's time to put that cash to work. If you find you can put even a little aside, I would recommend the Registered Education Savings Plan (RESP). Education continues to climb and be a necessity more than ever. Further, you can claim the RESP Canada Education Savings Grant. This is where the government gives out 20% of each payment and each year to a maximum of \$500 annually.

If you're to invest, I would choose a solid exchange-traded fund (ETF) to make sure your cash keeps growing. Something like **Vanguard Balanced ETF Portfolio** ([TSX:VBAL](#)) gives investors a 60% investment in stocks and 40% investment in bonds (hence the word *balanced*). Further, it offers a 1.79% dividend yield, and stable growth since coming on the market — something you'll want when you need to take out the cash when the kids go to university.

So, look after yourself and your children. Call the CRA and find out exactly what you can apply for today.

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