

COVID-19 Benefits – Are They Taxable Income Receipts?

The COVID-19 pandemic continues to be a source of great financial hardship for many Canadians. In response, the Government of Canada has, and continues to provide a variety of benefits to both Canadian individuals and businesses to help support them financially through this difficult period.

Here is a summary of the most popular COVID-19 benefits, their purpose and amount, and which benefits are taxable income receipts, and which are not.

For a complete listing, including provincial support, click [here](#).

Update

On February 9, 2021, the Government of Canada released an Interest Relief program: [Press Release](#). It is targeted at Canadians who received COVID-19 benefits and in summary, will not require Canadians to pay interest on outstanding income tax debt for the 2020 tax year until April 30, 2022.

Individual COVID-19 Benefits

Federal COVID-19 Benefit	Purpose & Benefit Amount	Taxable Income Receipt?
Canada Emergency Recovery Benefit (CERB)	<ul style="list-style-type: none"> • Benefits employed/self-employed Canadians who had to stop working due to COVID-19. • \$2,000/4-week period, for a maximum of 28 weeks between March 15, 2020, and September 26, 2020. • Visit Canada.ca for further details on CERB eligibility criteria. 	<ul style="list-style-type: none"> • Yes, taxed as regular income • No tax withheld at source • The government will issue a T4A tax slip or T4E tax slip (if applied through Service Canada) reporting benefits received
Canada Child Benefit (CCB) Top-up	<ul style="list-style-type: none"> • One-time increase to the May 2020 CCB to those Canadian families already receiving CCB. The one-time payment essentially doubled the monthly allocation per child. 	<ul style="list-style-type: none"> • No, CCB is not a taxable income receipt
Special Goods and Services Tax (GST) Top-up	<ul style="list-style-type: none"> • One-time increase to the April 2020 GST credit to those Canadians already receiving the GST credit. 	<ul style="list-style-type: none"> • No, GST credit is not a taxable income receipt
One-time tax-free payment for Old Age Security (OAS) and Guaranteed Income Supplement (GIS)	<ul style="list-style-type: none"> • One-time tax-free payment in July 2020 of \$300 for Canadian seniors eligible for OAS, with an additional \$200 for Canadian seniors eligible for GIS. 	<ul style="list-style-type: none"> • Normally OAS is a taxable income receipt, but this one-time payment is not a taxable income receipt • No, GIS is not a taxable income receipt

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<p>Canada Emergency Student Benefit (CESB)</p>	<ul style="list-style-type: none"> • Benefits post-secondary students, recent post-secondary and high school graduates who were unable to find work due to COVID-19. • \$1,250/4-week period for a maximum of 16 weeks, between May 10 and August 29, 2020. • Extra \$750 (total benefit amount of \$2,000)/4-week period, if they had a disability or dependents. • Visit Canada.ca for further details on CESB eligibility criteria. 	<ul style="list-style-type: none"> • Yes, taxed as regular income • No tax withheld at source • The government will issue a T4A tax slip
<p>Canada Recovery Benefit (CRB)</p>	<ul style="list-style-type: none"> • Benefits employed/self-employed Canadians whose income is reduced by at least 50% due to COVID-19, and who are not eligible for EI benefits. • \$1,000/2 week period, (\$900 after taxes withheld) for 26 periods between September 27, 2020, and September 25, 2021. • CRB benefits will be clawed back by 50% (\$0.50 for every \$1) when recipients report net income in excess of \$38,000 annually. • Visit Canada.ca for further details on CRB eligibility criteria. 	<ul style="list-style-type: none"> • Yes, taxed as regular income • 10% income tax withheld at source • The government will issue a T4A tax slip reporting benefits received
<p>Canada Recovery Caregiving Benefit (CRCB)</p>	<ul style="list-style-type: none"> • Benefits employed and self-employed Canadians who are unable to work because they must care for their child <12 years old or a family member who needs supervised care. This applies if their school, regular program, or facility is closed or because they are sick, self-isolating, or at serious risk of health complications due to COVID-19. • \$500/1 week period, (\$450 after taxes withheld) for a maximum of 26 weeks between September 27, 2020, and September 25, 2021. Only one eligible individual in the same household can apply for the benefit per week. • Visit Canada.ca for further details on CRCB eligibility criteria. 	<ul style="list-style-type: none"> • Yes, taxed as regular income • 10% tax withheld at source • The government will issue a T4A tax slip reporting benefits received
<p>Canada Recovery Sickness Benefit (CRSB)</p>	<ul style="list-style-type: none"> • Benefits employed/self-employed individuals who are unable to work because they are sick or need to self-isolate due to COVID-19 or have an underlying health condition that puts them at greater risk of getting COVID-19. • \$500/1 week period, (\$450 after taxes withheld) for a maximum of 2 weeks between September 27, 2020, and September 25, 2021. • Visit Canada.ca for further details on CRSB eligibility criteria. 	<ul style="list-style-type: none"> • Yes, taxed as regular income • 10% tax withheld at source • The government will issue a T4A tax slip reporting benefits received

Summary of T4A Slips reporting Federal COVID-19 Benefits

Canadian individuals will receive a T4A slip from the CRA if they received any of the COVID-19 emergency or recovery benefits during 2020:

- Canada Emergency Response Benefit (CERB) with the CRA
- Canada Emergency Student Benefit (CESB)
- Canada Recovery Benefit (CRB)
- Canada Recovery Caregiving Benefit (CRCB)
- Canada Recovery Sickness Benefit (CRSB)

Where an individual applied for the Canada Emergency Response Benefit (CERB) through Service Canada, such benefits will be reported on a T4E.

T4As and T4Es should be received by recipients by mid-March 2021 at the latest. As well, copies of the slips are available on My Account for Individuals portal on Canada.ca.

The COVID-19 benefit payment amounts reported on a T4A slip or T4E slip are taxable income receipts and must be reported by Canadian individuals on their 2020 Income Tax and Benefit Return.

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