

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

## COVID-19 Benefits – Are They Taxable Income Receipts?

<p><a href="#">Canada Emergency Student Benefit (CESB)</a></p>	<ul style="list-style-type: none"> <li>• Benefits post-secondary students, recent post-secondary and high school graduates who were unable to find work due to COVID-19.</li> <li>• \$1,250/4-week period for a maximum of 16 weeks, between May 10 and August 29, 2020.</li> <li>• Extra \$750 (total benefit amount of \$2,000)/4-week period, if they had a disability or dependents.</li> <li>• Visit <a href="#">Canada.ca</a> for further details on CESB eligibility criteria.</li> </ul>	<ul style="list-style-type: none"> <li>• Yes, taxed as regular income</li> <li>• No tax withheld at source</li> <li>• The government will issue a T4A tax slip</li> </ul>
<p><a href="#">Canada Recovery Benefit (CRB)</a></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• \$1,000/2 week period, (\$900 after taxes withheld) for 26 periods between September 27, 2020, and September 25, 2021.</li> <li>• CRB benefits will be clawed back by 50% (\$0.50 for every \$1) when recipients report net income in excess of \$38,000 annually.</li> <li>• Visit <a href="#">Canada.ca</a> for further details on CRB eligibility criteria.</li> </ul>	<ul style="list-style-type: none"> <li>• Yes, taxed as regular income</li> <li>• 10% income tax withheld at source</li> <li>• The government will issue a T4A tax slip reporting benefits received</li> </ul>
<p><a href="#">Canada Recovery Caregiving Benefit (CRCB)</a></p>	<ul style="list-style-type: none"> <li>• Benefits employed and self-employed Canadians who are unable to work because they must care for their child &lt;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.</li> <li>• \$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.</li> <li>• Visit <a href="#">Canada.ca</a> for further details on CRCB eligibility criteria.</li> </ul>	<ul style="list-style-type: none"> <li>• Yes, taxed as regular income</li> <li>• 10% tax withheld at source</li> <li>• The government will issue a T4A tax slip reporting benefits received</li> </ul>
<p><a href="#">Canada Recovery Sickness Benefit (CRSB)</a></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• \$500/1 week period, (\$450 after taxes withheld) for a maximum of 2 weeks between September 27, 2020, and September 25, 2021.</li> <li>• Visit <a href="#">Canada.ca</a> for further details on CRSB eligibility criteria.</li> </ul>	<ul style="list-style-type: none"> <li>• Yes, taxed as regular income</li> <li>• 10% tax withheld at source</li> <li>• The government will issue a T4A tax slip reporting benefits received</li> </ul>

## 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.

The information contained herein has been provided for information purposes only. The information does not provide financial, legal, tax, or investment advice. WAPW is a member of the Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada.

© 2021, Wellington-Altus Private Wealth Inc.  
ALL RIGHTS RESERVED. NO USE OR REPRODUCTION WITHOUT PERMISSION.  
[www.wellington-altus.ca](http://www.wellington-altus.ca)



Regulated by  
Investment Industry Regulatory  
Organization of Canada

