



New Canada Groceries and Essentials Benefit

What is it?

The federal government has proposed a new **Canada Groceries and Essentials Benefit** to help low- and modest-income Canadians manage rising grocery and essential living costs. The benefit builds on the existing **GST/HST Credit** and is **expected to begin in 2026, subject to Parliamentary approval.**

How does it differ from the current GST/HST credit?

Two enhancements are proposed:

1. One-Time Top-Up (Spring 2026)

- One-time payment equal to **50% of the 2025–26 GST/HST Credit**
- Expected in **spring 2026** (no later than June)
- Eligibility will be based on eligibility for the GST Credit for January 2026.

2. Ongoing Increase (Starting July 2026)

- **25% increase to GST credit benefit amounts**
- **Applies for five years**
- Paid **quarterly** and **indexed to inflation**

Who Is Expected to Benefit?

- Approximately **12.6 million Canadians**
- Includes **single individuals, couples, seniors, and families with children**
- **About 500,000 additional households** expected to become eligible

How Much Could You Receive?

The amounts you can receive depends on income and household situation. Here are a couple of scenarios.

Family Type	Maximum Base Amount for GST Credit 2026-2027	50% Top-Up	25% Increase to 2026-2027	Total of Top-Up and 25% increase	Total Benefits receivable for the 2026-2027 benefit year
	(A)	(B)	(C)	(B) + (C) = (D)	(A) + (D)
Single	\$ 543	\$ 267	\$ 136	\$ 402	\$ 950
Couple with 2 kids	\$1 086	\$ 533	\$ 272	\$ 805	\$ 1 890

How do you apply?

No application is required, but **filing is key!**

- You must have **filed your 2024 tax return to receive the one-time top-up** payment
- You must **file your 2025 tax return to receive the increased payments starting July 2026**



Padgett Business Services is dedicated to meeting the tax, government compliance, profit & financial reporting and payroll needs of businesses with fewer than 20 employees in the retail and service sector of the economy. This publication suggests general business planning concepts that may be appropriate in certain situations. It is designed to provide complete and accurate information to the reader. However, because of the complexities of the tax law and the necessity of determining whether the material discussed herein is appropriate to your business, it is important you seek advice from your Padgett office before implementing any of the concepts suggested in this newsletter.