



## Retirees: These 3 Monthly Dividend Payers Are as Good as a Pension

### Description

Earlier this month, federal and provincial finance ministers made headlines by agreeing to sweeping changes to the Canada Pension Plan.

Essentially, these changes work something like this.

Premiums will go up by 20%—from 10% of an employee's wage to 12%—an increase shared equally by employers and employees. In exchange for these increased premiums, workers will be able to count on a maximum payout of \$17,478 annually compared to approximately \$13,000 currently. Additionally, CPP premiums will be withdrawn from salaries up to \$82,700, versus \$53,600 today.

These changes will begin to be phased in starting 2019, maxing out in 2025.

Most pundits cheered this news, saying changes in the program are a good thing overall. We live in a world where many people simply aren't saving enough for retirement. This will help them.

But it doesn't do much for retirees today. In today's world of disappearing corporate pensions and anemic interest rates, turning savings into income is harder than ever.

We can help. Here are three monthly dividend payers with payouts that aren't going anywhere.

### Crombie

**Crombie Real Estate Investment Trust** ([TSX:CRR.UN](https://www.tsx.com/quote/CRR.UN)) is one of Canada's largest owners of grocery store anchored real estate in Canada. It owns 251 properties spanning nearly 17 million square feet with almost all locations having either a Sobeys or Safeway store as the main tenant.

Crombie's largest shareholder is **Empire Company**, which owns approximately 41.5% of the company.

Crombie continues to grow by acquiring additional real estate from Empire. The two companies recently announced a \$418 million deal, which transferred 19 retail properties and a 50% interest in three distribution centres to the REIT. Both companies also agreed to renovate and expand 10 existing

Crombie locations anchored by Sobeys stores.

Crombie shares yield an impressive 5.8%. This dividend is pretty safe with the payout ratio at the end of the first quarter checking in at under 80% of funds from operations.

## **Boston Pizza**

There's a reason why Warren Buffett has invested billions in franchised restaurants over the years. The business model is fantastic. Who doesn't love to get paid while a franchisee takes all the risk?

**Boston Pizza Royalties Income Fund** ([TSX:BPF.UN](#)) is a proven winner. The company has steadily grown over the years to become Canada's largest fast-casual restaurant chain with more than 350 locations nationwide and sales of more than \$1 billion. That's a lot of pizza and wings.

Same-store sales, a key metric to restaurant health, have been solid, albeit unspectacular. In the company's most recent quarter, same-store sales increased 0.6%. Results were weighed down by its exposure to Alberta.

The big reason to own Boston Pizza is for its succulent dividend. The stock currently pays out \$0.115 per share each month, good enough for a 6.9% yield. Dividend growth has been solid too, with the payout increasing from \$0.092 monthly to the current level since 2011.

## **Altagas**

Although most of its business comes from its power-generation and utilities business, **Altagas Ltd.** ([TSX:ALA](#)) shares are hurting mostly from the weak natural gas market. Shares are down nearly 20% over the last year.

The company is spending aggressively to expand all aspects of its business. A dozen new projects are planned from now through 2018 that will cost between \$2.5 billion and \$3 billion. When completed these projects should add approximately \$300 million in annual EBITDA.

Funding is already lined up for these projects, which is good news for dividend investors. Altagas currently pays \$0.165 per share each month to owners, which is good enough for a 6.3% yield.

Not only are investors getting paid well today, but Altagas's dividend growth has historically been solid as well. Five years ago the company was paying \$0.11 per share each month. It has grown that dividend by 50% since, easily surpassing the rate of inflation.

## **CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing

## **TICKERS GLOBAL**

1. TSX:ALA (AltaGas Ltd.)
2. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
3. TSX:CRR.UN (Crombie Real Estate Investment Trust)

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