



Retirees: Boost Your CPP Payments the Easy Way

Description

The government established the Canada Pension Plan (CPP) in 1966 to have a retirement income system in place. With the exception of Quebec, everyone over 18 years old who's working in Canada is required to contribute to the CPP.

The total contribution will be the pensionable earnings upon retirement. For employed individuals, the employer will shoulder half of the contribution, whereas self-employed individuals will pay the full contribution.

As of January 2019, the maximum contribution to the base CPP for employers and employees is \$2,748.90 and \$5,497.80 for self-employed individuals.

However, not everyone can receive the maximum CPP benefit. You should be able to contribute enough in each of your working years to meet the Yearly Maximum Pensionable Earnings (YMPE) level.

If you're unsure of meeting the required YMPE, you can invest in the so-called dividend aristocrats on the **TSX**. The stocks can deliver extra income to boost your CPP payments without working.

The dividend aristocrats of choice

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is the biggest telecommunications company in Canada with an established footprint in the industry.

In the recently reported Q2 2019 results, the \$54.8 billion company showed healthy revenue and adjusted EBITDA growth across all Bell operating segments, margin expansion, and higher earnings in free cash flow.

The results were in line with the company's 2019 guidance targets. BCE also delivered the best Q2 subscriber performance in 18 years, with 149,000 new net customers added. Post-paid clients reached 103,000.

Total revenue increased by 2.5% year over year, while net earnings rose by 8.2%. The strong EBITDA growth along with lower capital spending increased Q2's free cash flow to \$1.1 billion of free cash flow, or 10% higher than last year.

The impressive quarterly results set the [foundation for sustained financial performance](#). Investors are assured of a 5% annual dividend yield or possibly even higher going forward.

Canadian Imperial Bank of Commerce ([TSX:CM](#))([NYSE:CM](#)), or CIBC, is the highest dividend-paying bank stock. This \$45.2 billion banking institution pays a 5.45% dividend with a payout ratio of less than 50%.

While the stock has fallen lately, it's [a blessing in disguise](#). Investors can take advantage and lock in. CIBC's dividend growth has compounded by 4.5% annually.

Investing in this bank stock is a sure-fire way to guarantee retirees with sustained income without any sweat. You can update your CPP deficiencies or supplement your retirement fund and leave your worries behind.

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) delivered strong financial results for the first half of the year. The core assets delivered strong operating performance. The new capital growth projects made incremental contributions, while the Energy Services segment maintained strong margins.

No investor would pass up on a company that developed the business over the last 15 years. Further, Enbridge's dividend yield of 6.65% is one of the juiciest in the energy sector.

The high dividend is too succulent for investors to ignore. If you want to catch up on your CPP payments to meet the YMPE, you should choose Enbridge. After earmarking some dividend income for the said *purpose*, you'll still have enough money left for reinvestment.

CATEGORY

1. Bank Stocks
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2. NYSE:CM (Canadian Imperial Bank of Commerce)
3. NYSE:ENB (Enbridge Inc.)
4. TSX:BCE (BCE Inc.)
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