



Retirees: 2 Simple Ways to Boost Your CPP Payments

Description

Qualifying to receive the benefits of the Canada Pension Plan (CPP) is essential. You need the retirement pension to replace part of the income you are receiving before retirement. But since it's only a partial cover, need additional income during your retirement years.

There are simple ways retirees can boost CPP payments. With these maneuvers, you can increase your financial support and [have the confidence to retire comfortably](#).

Defer your CPP

Taking out your CPP early or before 65 years old is permissible, but you should be aware of some risks. Health will become a factor as you age, so consider the medical costs. Although you'll presumably receive pension longer when you elect an early payout, receiving a lower amount is the tradeoff.

Unless you're willing to absorb a 36% reduction in pension, you can wait until you're 70 to claim your benefit. By then, you'll have increased your CPP payment by 42%. If you expect a lengthy retirement, a delay is [the better option](#).

Save and invest

An accompanying strategy to CPP deferment is to save as much as possible and invest the money in income-producing assets. You can consider purchasing high-yield dividend stocks such as **Fiera** ([TSX:FSZ](#)) and **Innergex** ([TSX:INE](#)). The average cost per share of the stocks is \$14.18, but you'll be enjoying an average dividend yield of 5.8%.

If you have retirement savings of \$300,000, an investment in these companies could produce a monthly passive income of \$1,450. Technically, you can more than double the \$679.16 average monthly CPP pension from the dividends of the two stocks.

Fiera is a global independent asset management firm from Canada. This \$1.14 billion company is a provider of customized multi-asset solutions across traditional and alternative asset classes. Fiera caters to institutional, retail, and private wealth clients in North America, Europe, and some Asian countries.

The company started operations in 2003 and has grown strategically over the years. As of the quarter ended September 30, 2019, Fiera is managing more than \$164.7 billion in assets. It expects annual growth of 14.8% in the next five years. Currently, this financial stock pays a 7.45% dividend.

Innergex will be turning 30 years old in 2020. This \$2.38 billion company operates as an independent renewable power producer. It owns a diverse portfolio of renewable energies such as wind and solar farms, as well as hydroelectric facilities. The locations of the farms and facilities are in Canada, Chile, France, and the United States.

Currently, Innergex owns interests in 68 operating facilities, with six more projects under development. In terms of capacity, this regulated utilities-electricity company can generate 3,488 MW of renewable energy,

Since the business model is low-risk, Innergex generates high, consistent revenue and profit. As such, the stock can sustain paying a dividend of 4.13%. The company is diversifying by adding more solar projects. Its 200 MW Hillcrest solar photovoltaic project in Ohio will be operational in 2020.

Lead income-generators

Learn from the retirees before you that are lamenting their lack of funds. Many situations will affect your CPP pension during actual retirement. Having an investment plan as early as possible can deliver lifelong financial support.

If you have Fiera and Innergex as lead income-generators, the CPP pension can be your supplementary income.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FSZ (Fiera Capital Corporation)
2. TSX:INE (Innergex Renewable Energy)

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