



Retirees: 3 Ridiculously Easy Ways to Maximize Your CPP Payments

Description

You've scrimped and saved for decades now, and the big day has finally arrived. Congratulations on your well-deserved retirement.

There's just one problem. You just don't have as much capital as you'd originally planned.

Hey, I get it. Life has a funny way of ending up like that. Maybe you helped your kids financially. Or perhaps your cash was tied up in ill-advised investments. Heck, maybe you just preferred to spend your cash on travel, or golf, or a million other worthwhile things.

The good news is, you don't have to let a lack of retirement savings get you down. Here are three easy, painless ways to ensure you'll have enough to have a [prosperous retirement](#).

Delay CPP

Many Canadians end up disappointed with the amount of their Canada Pension Plan (CPP) benefit. After paying into the plan for decades, they suddenly discover maximum benefits for someone retiring at the traditional age are a mere \$1,134 per month.

That'll help — especially when you combine it with your spouse's CPP and your combined Old Age Security (OAS) payments — but it just isn't going to be enough.

There's a solution many folks don't consider. You can delay taking your CPP benefits until age 70, which dramatically increases your monthly income.

Someone who qualifies for max CPP benefits and delays payment until age 70 will earn 42% more than someone who takes their pension at age 65. That translates into \$1,610 per month, or \$19,323 per year. It's a big difference.

Work part-time

Another easy way to increase your pension is by breaking a sweat. Yes, I'm talking about going back to work. At least a little.

I know, most folks don't want to get even a part-time job in retirement. But working 10-15 hours a week has big benefits, and not just financial ones, either. You have a reason to get out of the house. Work forces you to socialize. And there are few better feelings than accomplishing something that you've worked hard to finish.

I know retirees who work a little at the golf course — which gives them a free pass as an employee perk — or who drive a school bus. These are both easy gigs that don't come with too much stress.

Even making a small amount can really add up. \$100 per day multiplied by 100 days is a cool \$10,000.

Try high-yield stocks

One way to turn meagre savings into a decent income stream is to put your cash into [high-yield stocks](#) — the kinds of companies that pay 6-9% yields. Anything higher than that is usually unsustainable.

\$200,000 invested in a portfolio of stocks paying 7% dividends works out to \$14,000 per year. Combine that with CPP, OAS, and part-time employment income, and a comfortable retirement is in reach.

One of my favourite high-yield stocks today — one that I own in my own portfolio — is money manager **Fiera Capital** ([TSX:FSZ](#)). The Montreal-based company has done a nice job growing by acquiring rival companies; it is now the third-largest independent, publicly traded wealth manager in Canada.

Assets under management have ballooned from just \$29 billion in 2011 to \$137 billion at the end of 2018. A series of acquisitions have increased total assets under management to \$165 billion as of September 30. It has also shifted the business model away from managing funds for mutual funds and more towards institutional clients, which should be more lucrative over the long term.

Recent quarterly results were solid too, with adjusted earnings per share rising from \$0.29 to \$0.32 on a year-over-year basis. 10% growth is a solid number. Analysts are even more bullish going forward, predicting the company will earn \$1.51 per share in 2020. That puts shares at just 7.3 times forward earnings.

Finally, the stock pays a succulent \$0.21 per share quarterly dividend, which is a yield of 7.6%. Not only is the payout at just over 50% of next year's projected earnings, but the company has hiked the dividend 12 times since 2013. You can count on this income.

The bottom line

You can painlessly increase your retirement income by making just a few easy moves. Delaying CPP, picking up a part-time job, and investing in high-yield stocks like Fiera Capital might just be enough to

upgrade a lacklustre retirement into one filled with great memories.

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1. TSX:FSZ (Fiera Capital Corporation)

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