



CPP Pension Users: Is 60 or 70 the Ideal Age to Take Your CPP?

Description

One of the big questions that you will need to answer when you retire is when to start receiving your Canada Pension Plan (CPP) payments. You have the option of starting to receive the payments at 60, or you can delay receiving the payments until age 70.

For every month that you start receiving payments before age 65, you will lose 0.6% per month, or 7.2% per year, of your CPP payment. That's a 36% reduction.

For every month that you defer payments after age 65, you will gain 0.7% per month, or 8.4% per year, of your CPP payment. That's an increase up to a 42%.

As you can see, the choice is not something to take lightly and can have a significant impact on your income in retirement. Here are a few of the considerations for deciding when you can start taking CPP payments.

What is your life expectancy?

Although it can be tough to think of your mortality, it's an important consideration when deciding when to take your CPP. If you want to go by averages, then the average Canadian person as of 2016 has a life expectancy of around 82 years.

However, your situation might be different, and it could even be worth going for a physical and asking your doctor about your health. If you have a shorter life expectancy, you might want to take your CPP closer to 60, and if you have a longer life expectancy, you might [want to delay taking the CPP until closer to 70.](#)

Can you afford to delay the CPP?

If you're nearing 60 and are not planning to work, complete a retirement budget calculation. If your calculation discovers that you will need to take the CPP right away, you might have to start taking the

CPP at age 60. However, if your budget comfortably comes below what you need to survive, you could delay the CPP to age 79.

If you find that you will fall short of your budget, even after taking the CPP, you can consider investing in [great companies like Capital Power](#). You can supplement your CPP with a stock that could perform well in the face of a market downturn and is heavily invested in a green future for energy.

The company has been around for almost 130 years, since 1891. It's grown to become a respected owner and operator of power-generation facilities in both Canada and the U.S.

It also helps that Capital Power has a generous 5.62% yield. This \$3.7 billion company is regulated, so the company continues to generate increasing, stable cash flows.

Capital Power has also gone a long way from its legacy of generating electricity from coal-powered plants. Although it can still produce electricity from coal, the company is concentrating on expanding more into green energy sources.

Recent changes in the Alberta energy markets with coal producers being heavily penalized make this a savvy move to secure the future of the company.

Conclusion

Take all these into consideration and make your best-educated choice to take the CPP at age 60 or 70.

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2. Energy Stocks
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