CPP Pension Users: 2 Reasons to NOT Delay Your CPP Until 70

**Description**

The Canada Pension Plan (CPP) gives would-be retirees sufficient leeway. You can take out the pension at age 60 or delay it until 70. Either option, however, has a financial impact.

Receiving the CPP later enables a retiree to increase the monthly payment by 0.7% for every month of delay. But because of two reasons, some CPP pension users are electing to claim the benefit one month after turning 60.



## Poor health

Often, the decision to take out the CPP at 60 is due to poor health. It is a good financial sense not to wait too long and miss out on the CPP pension. You're likely to be financially ahead if life expectancy is shorter.

## Immediate need

The second reason for taking out the CPP early is because of immediate financial need. Issues like forced or sudden retirement or lack of personal savings can be worrisome.

Thus, the only recourse to ensure that you have the financial means to carry you through your 60s is early CPP takeout. You face a 36% permanent reduction in your monthly CPP benefit, but you have certainty of money in your pocket.

## Give your pension a boost

Regardless of the reasons for claiming the CPP early or late, building a retirement cash flow can give you a financial boost on top of the CPP. You can invest in high-yield dividend stocks like **Rogers Sugar** (TSX:RSI) and **Whitecap** (TSX:WCP).

Rogers Sugar has been in the business of producing and processing sugar for more than two decades. Although sugar is a low-growth business, this $503.44 million company reports consistent profits. Likewise, the $4.81 price of this confectioner stock is relatively low yet pays a juicy dividend of 7.55%.

Last year was a not-so-good year, because of a $50 million goodwill impairment and unharvested sugar beet crop. As a result, the company was not able to process and store the damaged produce. While both had an impact financially, the setbacks are temporary.

Expect Rogers Sugar to continue with its traditional sugar plantation and processing operation and remain as Canada's leading refined sugar distributor. The company is diversifying to include other refined sugar products, particularly maple syrup.

Whitecap is a known dividend machine in the energy sector. As of this writing, the shares of this $2.2 billion developer of petroleum and natural gas properties in Canada are trading at $5.45. If you can scoop some today, you can partake in the monster dividend of 6.24%.

After successfully preserving cash flows and strengthening its balance sheet last year, expect Whitecap to have financial flexibility in 2020. Since most of the light oil resource base in its core operating areas have low base declines, production should remain stable. Also, they keep drilling costs at reduced levels.

Higher oil prices favour Whitecap, although the company can survive declining oil prices in case tension in the Middle East persists. Analysts are maintaining a bullish outlook, as it forecasts the price to climb by 46.8% to $8 in the next 12 months.



## Potential retirement cash flow

With an average yield of 6.9%, investing $25,000 each in Rogers Sugar and Whitecap can potentially produce $3,447.50 in annual income.

**CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing

**TICKERS GLOBAL**

1. TSX:RSI (Rogers Sugar Inc.)
2. TSX:WCP (Whitecap Resources Inc.)

**PARTNER-FEEDS**

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

**Category**

1. Dividend Stocks
2. Energy Stocks
3. Investing

**Date**
2025/09/14
**Date Created**
2020/01/16
**Author**
cliew