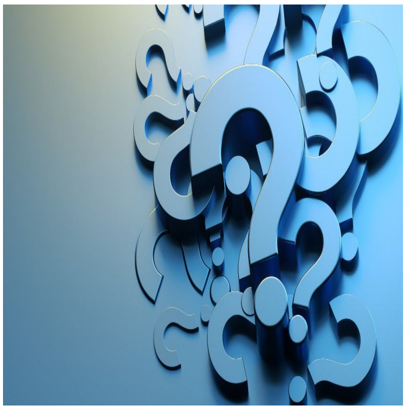

CPP Pension: Should You Take Your Canada Pension at Age 60, 65, or 70?

Description

The typical age to start receiving Canada Pension Plan (CPP) payments is 65. However, you can start receiving the CPP pension payments as early as age 60 or as late as age 70.

If you delay receiving the CPP payments, you'll get a bigger payout per month when you start receiving the payments. However, the CPP payments don't get any larger after you reach age 70. So, apply anytime between age 60 and 70.

Should you take your Canada pension at age 60, 65, or 70?

Whether you start receiving the CPP earlier at age 60 or later until age 70 depends on multiple factors, including your finances, health, life expectancy, and taxes.

If you're healthy and still working, then you would want to delay your CPP pension payments, because they are taxable.

If you're retired and need extra income, you'd want to start receiving the monthly CPP payments.

Remember that your goal is to have as much in your pocket over the long term, which means limiting the taxes you pay. At the same time, you probably want to enjoy the fruits of your labour in retirement sooner than later.

Maximize your retirement fund and boost your passive income

The CPP is only one part of your retirement solution. The bulk of your retirement fund should be your personal savings that you've accumulated over the years. Ideally, you'll have much of your savings in tax-advantaged accounts such as RRSPs/RRIFs and TFSAs.

To maximize your retirement fund to make your golden years that much more enjoyable, consider investing in this quality dividend stock to boost your passive income.

Royal Bank of Canada

Royal Bank (TSX:RY)(NYSE:RY) is the behemoth banking leader. It benefits from a large-scale business and has delivered long-term returns of about 10% per year (with below-average market risk) versus the Canadian market average of 7% per year.

Today, it has assets of close to $1.5 trillion, loans of $614 billion, and deposits of $885 billion — all saw moderate growth year over year. It also maintains a strong common equity tier one ratio of 12.1%.

Royal Bank's recent results have been super strong as well. Its five-year return on equity is more than 17%, and it has been generating net income of more than $3 billion quarter after quarter!

The leading financial institution's consistent profits permit it to increase its dividend over time. In the past decade, it managed to healthily boost its dividend per share by about 7% per year, essentially doubling its dividend in the period.

Currently, the stock is reasonably priced and offers a yield of 3.9%. Going forward, it'll likely match or beat market returns but with below-average volatility. Hence, the dividend-growth stock is a perfect holding for retirees.

Investor takeaway

You can maximize your CPP monthly payments if you delay until age 70 to start receiving the pension. However, whether to start receiving CPP payments at age 60 or later really depends on your needs. Discuss your options with your financial planner for the best course of action.

The good thing is, you can boost your retirement income by investing in quality dividend stocks that are trading at good valuations. Right now, Royal Bank is a decent idea, but you should diversify your holdings in other wonderful businesses as well.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. TSX:RY (Royal Bank of Canada)

PARTNER-FEEDS

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

Category

1. Bank Stocks
2. Dividend Stocks
3. Investing
4. Stocks for Beginners

Date
2025/07/06
Date Created
2020/01/26
Author
kayng