



CPP Pension Users: 2 Dividend Stocks to Supplement Your CPP Payout

Description

Retirees cherish the Canada Pension Plan (CPP), but unfortunately, not everyone gets to receive the full CPP payment. Even if the maximum CPP payout in 2020 rose to \$1,175.83 per month, you should have contributed enough to receive it. In 2019, the average monthly CPP payout was only \$679.16.

But as the CPP is mandatory, there is forced savings on your part. With your contribution and equal contribution of your employer, you have the assurance of financial support during retirement. However, would-be retirees should know that the CPP is just one of the layers of safety during the sunset years.

In order to [ensure financial stability](#), you would need to add layers of safety to supplement your CPP payout. Investing in dividend stocks like **Parkland Fuel** ([TSX:PKI](#)) and **Pinnacle Renewables** ([TSX:PL](#)) would create the much-needed layers of safety. Apart from being income-producers, they offer protection against a market crash.

Developed business

Parkland is the largest marketer, distributor, and refiner of fuel and petroleum products in Canada and one of the fastest-growing in North America. This \$6.85 billion company continues to make strategic acquisitions to drive growth.

After acquiring the downstream fuel business of Chevron Canada, Parkland is now the exclusive distributor for Chevron branded fuels. The retail segment has 1,855 gas stations under its wings. Parkland also operates convenience stores.

Meanwhile, its commercial segment serves commercial, industrial, and residential clients in various industries. The company's supply segment is in charge of managing fuel supply contracts and dealings with suppliers as well as wholesalers and resellers.

With a double-digit upside from its fuel distribution business looming on the horizon, analysts are maintaining a bullish sentiment. They see Parkland breaching the \$60 mark (+29.5%) by year-end. Factor in the 2.41% dividend and prospective investors are in a position to [realize a significant boost in retirement income](#)

Developing business

Although the way Pinnacle produces renewable fuel for electricity generation is unique and still in its infancy, this \$343 million company is looking to grow.

The company provides wood pellets that serve as feedstocks to thermal power generators for renewable power production. Pinnacle has seven of those production facilities in Western Canada plus one more in Alabama.

As many governments are shifting to safer renewable energies, Pinnacle should benefit from the increasing demand. Aside from the \$7.1 billion worth of project backlogs, the company expects business volume to double in no time.

Some would argue that technology would push the use of wood pellets into obsolescence. However, you have to look at Canada's forestry industry that focuses on planting more trees.

Pinnacle takes wood waste and converts them into energy. The fuels it produces are carbon-neutral and environment-friendly.

Dividend-wise, Pinnacle yields 5.62%. If you need to match the average CPP monthly payout of \$679.16, a \$145,000 investment in this stock should deliver the amount.

Financial stability

The advantage of investing in companies like Parkland Fuel and Pinnacle Renewables is the regular dividends to supplement your CPP payout.

There is also a potential bonus in the form of capital gain. The double gains from the stocks should stabilize you financially in your later years.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:PKI (Parkland Fuel Corporation)

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