CPP Pension Increasing: You Have to Pay More Into CPP in 2020

Description

The concern of pension experts is the reason why the Canadian government to saw the need to enhance the Canada Pension Plan (CPP). These experts believe that Canadians are not saving enough money for retirement.

While some future pensioners are not too happy with the increased CPP contribution, pension experts are arguing that the CPP expansion is necessary.

“Retirement-income-security” science

The trained pension experts want you to look at the CPP enhancement as a “retirement-income-security” science. You might be making a higher contribution in 2020, but that is in exchange for higher benefits in the future. However, you only get back what you pay to the CPP.

If you’re building a nest egg, take it a step further and supplement your CPP. You can only guarantee retirement income security by enabling your money to grow.

The task of the Canada Pension Plan Investment Board (CPPIB), for instance, is to manage and grow the CPP fund of about $265 billion.

For the investment arm of the CPP to maximize returns, it needs to select the assets with growth and earnings potential. Since the objective of the CPPIB is the same as that of regular investors, you can invest in the same stocks where the board invests.

CPP pension stocks

WSP Global (TSX:WSP) is the fifth-largest equity holding of the CPPIB. This $10 billion consultancy firm in the engineering and construction space is front-page news lately. Talks are ripe that WSP Global is working on two mergers as part of its aggressive expansion plan.

The company made overtures to acquire rival engineering firm **Aecom**. There is also interest in creating a leading geometrics firm with leading software solutions and advisory firm **Altus**.

WSP is eyeing Aecom to be able to enhance its activities across the border further. A successful deal could mean cost saving of $200 million, consolidation of real estate, streamlined procurement, and system investments.

The proposed merger with Altus should bring about a dominant player in the collection, analysis, and interpretation of land data. Both WSP Global and Altus have excellent track records of ensuring the optimum value of business assets.

Seven Generations (TSX:VII) is not a dividend payer, but this $2.24 billion low-supply cost energy producer is worth the look. The company doesn't pay dividends, but according to analysts, the potential capital in the next 12 months is an eye-popping 147%.

It uses long-reach horizontal drilling to produce low-supply cost resources of natural gas, condensate, and natural gas liquids.

The company is the owner of the Montney natural gas property. It's large-scale, liquids-rich as the property is a vast half-a-million net acre and stretches for 100 kilometres.

Seven Generations engages in long-reach horizontal drilling to produce low supply cost resources of natural gas, condensate, and natural gas liquids.

In 2020, Seven Generations has $1 billion is as sustaining capital. It will also spend about $100 million for high-return and value-enhancing projects. The $1.1 billion capital investment budget should help the company meet the 33.5% annual growth estimate for the next five years.

Supplement your CPP

With the WSP Global and Seven Generations, you're maximizing returns like the CPPIB. Whether the gains are from dividends or price appreciation, you'll be supplementing your CPP handsomely.

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Date
2025/09/10
Date Created
2020/02/19
Author
cliew