CPP Pensioners: Use These 2 Dividend Stocks to Boost Your Retirement Income

Description

The Canadian government has introduced various plans to help its citizens earn income after retirement. One of the most significant means of retirement income for the Canadian retiree is payments through the Canada Pension Plan (CPP).

The average CPP payout in the country is around $640. The number does not seem substantial. For a lot of Canadians, the CPP payout is lower because they start collecting their CPP payments before turning 65. The smarter retirees manage to defer collecting their payments until they turn 70, so they can get a 42% boost to the amount in their CPP checks.

Even if you maximize your CPP payments, the pension plan is insufficient to cover your retirement income. You need to take steps to increase your retirement income.

This is where your Tax-Free Savings Account (TFSA) can come in handy. Use your TFSA to invest in income-producing assets, so you can enjoy tax-free passive revenue. To this end, I am going to discuss **CAE** (TSX:CAE)(NYSE:CAE) and **Telus** (TSX:T)(NYSE:TU).

A globally recognized training company

CAE is a world-renowned firm for its aviation training simulations. The company is a massive success that has introduced training programs for various fields like healthcare, security, and defence.

The company has a worldwide reach, operating around 160 training facilities in over 35 countries. The company handles the training of thousands of commercial and defence plots as well as thousands of healthcare professionals every year.

The company's market value grew over 160% in the past five years, and it is continuing its upward trajectory. The stock does not offer much in terms of its dividend. It pays its shareholders dividends at a rate of just 1.09% at the time of writing, but the stock offers much more in terms of capital gains.

The stock is also a Dividend Aristocrat with a dividend-growth streak of 12 years. You can expect potential income from investing in the stock to increase.

Telecom giant

Telus is a behemoth in Canada's telecommunications sector. It has been consistently growing its income and dividend payouts over the past decade and a half. The company is dominating the telecom market in Canada, along with two other operators. Its internet and TV services are growing fast. The introduction of 5G makes its potential for growth even more promising.

I like Telus for several reasons. The stock has a fantastic financial profile. Its balance sheet is solid, and it has excellent growth opportunities due to its access to capital markets.

The stock is a leader in terms of technological advances. Its broadband networks are world-class, the company has an ever-increasing customer base, and it is regarded as the best in Canada for its customer service.

The stock is up by more than 20% of its value five years ago, and it pays its shareholders a juicy dividend of 4.34%.

Foolish takeaway

Investing in a stock like CAE can help you increase your overall wealth due to substantial capital gains over the years. A stock like Telus can give you robust and consistent passive income through dividends. I think allocating some of the contribution room in your TFSA to shares of both companies could help you substantially boost your retirement income.

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1. Dividend Stocks
2. Investing

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