



Retirees: Double Your CPP Payments With These 3 Dividend Stocks

Description

As it stands today, the maximum payment you can expect to get from the Canada Pension Plan (CPP) is \$1,175.83 per month.

Most folks don't see CPP payments that are anywhere close to the maximum, of course. The average CPP payment is closer to \$640 per month because most don't make enough during their working careers to max out their CPP contributions.

Even if we add on Old Age Security and other benefits for seniors, many retirees worry they won't have enough based on [government benefits alone](#).

There's an easy solution. Retirees can put their cash to work in Canada's top dividend stocks. A portfolio earning \$1,200 per month can double the maximum CPP payment, giving retirees a fantastic boost.

Building such a portfolio isn't that hard, either. Here are three great dividend stocks that would look good in any retiree's portfolio. And, as a bonus, they all pay monthly dividends.

BSR REIT

Many commercial REITs have been crushed lately as investors worry about COVID-19's impact on long-term business health. Residential real estate has held up much better. After all, folks still need a place to live.

BSR REIT ([TSX:HOM.U](#)) owns apartment buildings in various U.S. markets, cities like Austin, Dallas, and Little Rock, locations that offer excellent long-term growth potential and affordable rents, which should lead to rents that grow faster than inflation for a long time.

The company has updated investors on the impact COVID-19 has had on the business, and it's minimal. Rent for April has mostly been collected, with only a small number of tenants requesting a deferral plan. While the May numbers aren't officially out yet, I expect more of the same.

Meanwhile, I wouldn't be surprised if BSR put some of its excess cash to work buying distressed properties. The company is sitting on a significant cash pile after selling some non-core assets.

And finally, let's not forget about the dividend. Shares currently yield more than 5%, and the company has a history of [hiking its distribution](#).

TransAlta Renewables

Utilities are another sector that should survive this crisis with ease.

TransAlta Renewables ([TSX:RNW](#)) owns power plants around the world, with an emphasis on North America and Australia. As it stands today, the portfolio consists of 44 different power projects, generating more than 2,500 MW of energy. Its assets are wind, natural gas, hydro, and solar powered.

The year 2020 should see the company finally grow the bottom line as a couple of projects come online. This should boost cash available for distribution above the \$300 million mark after coming up just short of that mark for the last three years.

That's good news for the company's dividend, which is an excellent choice for a retiree looking to boost their CPP payments. The current yield is 6.2% with a payout ratio of approximately 80%. I wouldn't be surprised if investors get a dividend raise in 2020, too.

With a solid balance sheet and interesting growth potential, look for this company to continue giving out steady dividend increases, too.

First National Financial

First National Financial ([TSX:FN](#)) is Canada's largest non-bank mortgage lender with more than \$110 billion worth of mortgages under administration. The company acts as a go-between between mortgage brokers and institutional Canadian investors, using the cash to fund mortgages and getting paid both a finders' fee and an ongoing fee to manage the underlying loans.

Yes, real estate transactions will be down in the next few months, and many of First National's borrowers will request mortgage deferrals. But over the long term, the business is still in great shape. After all, First National consistently offers rates lower than big banks because of its efficient operations. Everyone likes saving money on their mortgage.

Despite shares falling significantly lately, First National has been an excellent long-term performer. Including reinvested dividends, shares are up 13.5% annually over the last decade. That's enough to turn a \$10,000 investment into something worth \$35,502.

The stock also pays a handsome 6.6% dividend, a payout that has slowly grown over time.

The bottom line on these CPP payment supplement stocks

If you're looking to add some consistent income to your portfolio, retirees could do a whole lot worse than owning BSR REIT, TransAlta Renewables, and First National.

These great companies look poised to deliver consistent dividends for a very long time.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:FN (First National Financial Corporation)
2. TSX:HOM.U (BSR Real Estate Investment Trust)
3. TSX:RNW (TransAlta Renewables)

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