



## Ready to Retire? Do This 3-Step To-Do List to Make Sure

### Description

Retirement is the most anticipated gala event of people nearing 60 years old. In Canada, 65 is the often-cited retirement age, and it's the same age that Canada Pension Plan (CPP) and Old Age Security (OAS) peg their payout computations. According to Statistics Canada, the average retirement age is 63 and one-half years.

With the coronavirus outbreak in 2020 and its economic pain, priority is shifting. Rather than rushing to retire, prospective retirees would rather build up their nest eggs some more. You can't have a ball in the sunset years if your [financial resources](#) aren't enough.

I have prepared a three-step guide that can help you plan your retirement better. Make sure to follow the simple to-do list and you'll have the confidence to retire.

### Stay healthy

The CPP and OAS pension matters because it is the base of your retirement income. You have the option of claiming them at 60 or earlier than 65 years old. If you're in poor health or have limited means, you permanently forfeit receiving higher payments.

If you're in excellent health, consider [delaying your CPP and OAS](#) until you're 70. For every month over your 65th birthday, the CPP payment due you will increase by 0.7%, or 42% in total. There's a 0.6% per month increase (36% maximum) if you defer the OAS. There are no available options beyond age 70.

### Aim for zero debt

Develop a debt repayment plan. Debt is a burden in retirement life because it drains your retirement savings or nest egg. If you can pay down or clear your outstanding liabilities, you will have free cash. You're ready to move to the next but most crucial step of the three-step retirement guide.

## Invest for retirement

Canadians are a lucky bunch because of two wealth-builders – Tax-Free Savings Account (TFSA) and Registered Retirement Savings Plan (RRSP). Both are savings accounts you can use to grow your retirement fund. If you want a head start, use the TFSA or RRSP while you're young.

Stocks are usually the asset of choice because of higher returns. The **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is one of those you can buy today and hold forever.

In Q1 of the fiscal year 2020, Scotiabank beat consensus estimates. The third-largest bank in Canada reported close to \$2.33 billion in profit. It is better than the \$2.25 billion income in the same period the prior year. Similarly, revenue grew from \$7.06 billion to \$8.14 billion.

Scotiabank is currently refocusing its core footprint. The bank is slowly reducing operations in the Caribbean but cementing its dominant position in Latin America. The repositioning is almost complete. Moving forward, the six core markets in the Americas will deliver 85% of total earnings.

You can purchase Scotiabank at less than \$50 today and partake of the generous 7.2% dividend offer. In a tax-advantaged account, you can compound your money faster.

## Retirement readiness

Only you can determine your retirement readiness. Let the three-step guide serve as your compass toward the retirement exit.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. TSX:BNS (Bank Of Nova Scotia)

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