



Retirees: You Could Receive a \$300 OAS Boost

Description

Canadian seniors are the latest to receive federal government aid due to the COVID-19 pandemic. Everyone is feeling the financial impact of the health crisis. Workers are losing jobs or income while students worry about the future. There is high stress among parents because of school closures and childcare duties.

Retirees have [financial challenges](#) too that it was a relief that the government finally saw the need to extend help. Belated as it is, there was no need to pass new legislation. The one-time boost in Old Age Security (OAS) is automatic.

A welcome boost

If you are already receiving the OAS benefit, you will receive an extra \$300. For people over 65 years who are also accepting the Guaranteed Income Supplement (GIS), the one-time boost \$200. Recipients of both the OAS and GIS should be receiving a total of \$500 more beginning in June 2020.

About 6.7 million will receive the OAS top-up, while an estimated 2.2 million seniors will receive the OAS boost plus the \$200 GIS payment. The federal government will spend \$2.5 billion for the exclusive non-taxable amount. Whether the payment is direct deposit or through cheque, you'll receive the full payment (\$300 or \$500).

I must remind working seniors that they are eligible to receive the Canada Emergency Response Benefit (CERB). The \$500 weekly CERB for up to 16 weeks can lessen financial worries.

Prime Minister Justin Trudeau acknowledges that seniors or retirees are the most vulnerable to COVID-19. Apart from the boost in OAS and GIS, the federal government is funding organizations with programs that help seniors maintain a social support network to prevent isolation.

Some parties are pushing for a new agenda dedicated to seniors. The proposal is to nationalize long-term care homes. Perhaps the government will dwell on this issue in the future when the pandemic is over. The immediate focus is to get the financial support quickly to Canadians in need, including

seniors and retirees.

Need for investment income

Speaking of income, retirees can further boost the OAS, Canada Pension Plan (CPP), and other pensions. Having different sources of retirement income will [ensure financial security](#). **NorthWest Healthcare** ([TSX:NWH.UN](#)), for example, is paying a dividend of 8.24%. A \$50,000 investment will produce \$4,120 in passive income.

NorthWest Healthcare is a \$1.77 billion real estate investment trust (REIT) and a leading global diversified healthcare REIT. You have the assurance of cash flow stability as best-in-class hospital operators are the partners of Northwest. All 183 healthcare infrastructures in the portfolio are income-producing properties.

Coming from a net loss of \$12 million in the quarter ended December 31, 2019, the profit in the quarter ended March 31, 2020 was \$114.7 million. Healthcare delivery will be among the critical services moving forward.

With a diversified tenant roster consisting of hospitals and healthcare systems, Northwest will flourish. This REIT will have about \$346 million by Q2 2020, which it could use to continue with its development activities and expansion projects.

Fair share

All is well that ends well now that seniors and retirees are getting a fair share of federal economic support. Creating a separate income stream can help retirees overcome financial uncertainty.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)

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