



Want to Retire on ONLY Your OAS and CPP Pension? Move Somewhere Cheap!

## Description

Canadian retirees will have an annual lifetime pension of \$15,436.80 from the Old Age Security (OAS) and Canada Pension Plan (CPP). The figure represents the latest monthly payment estimate for the OAS (\$613.53) and the average CPP (\$672.87).

If you were to rely on both as your only retirement income, you might [need to downsize](#) at some point during retirement. Downsizing, moving into a smaller house, or relocating to a cheaper province or another country will have a big difference to your finances and lifestyle.

## Dilemma

Downsizing is not easy, because it comes with financial, emotional, and health costs. But in most cases, it's the most practical decision, even if it means leaving the place you call home. A trend, however, is developing among baby boomers wishing to live comfortably in the sunset years.

## Frugal living

Happy retirement means [frugal living](#) that sacrifices comfort. Frugal retirees can live on \$1,200 per month in a sun-and-surf destination like Belize in the Caribbean. But the best country to retire according to the 2020 Annual Global Retirement Index is Portugal. The country is tops because of the affordable cost of living, professional healthcare, temperate climate, and high safety ratings.

For Canadian retirees who decide to stay put, Canada ranks high for retirees' well-being. You can move to smaller towns like Collinwood or Belleville in Ontario, which offer convenience and a community feel for active and social seniors. More importantly, family doctors per 100,000 population are 105 and 137, respectively.

If you have more retirement income sources apart from the OAS and CPP, the nation's capital is the best place to retire. Ottawa in Ontario is a top spot, because of the weather and excellent healthcare facilities. Health and wellness are the priorities of residents in Canada's capital city.

## Lifetime income provider

**Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) is in the A-list of retirement stocks. This 203-year-old bank has been providing dividends to income investors for 191 years (since 1829). You can include the Great Depression in the 1930s, two world wars, and four global recessions over the past seven decades.

BMO was the first Canadian company ever to pay dividends. The start of the tradition happened during the international financial crisis back in 1829. Since then, the bank stock became the superior choice when people go dividend investing.

In the current health crisis, BMO maintains a dividend-payout ratio of 50-60% and offers a yield of 5.98%. A would-be retiree investing \$75,000 in this bank stock can generate a quarterly income of \$1,121.25. In a holding period of 12 years, your money will double to \$150,573.40.

This \$45.33 billion bank's goal in the pandemic era is to provide funding support to women entrepreneurs and women-owned businesses across Canada. Its capital allocation is \$3 billion over three years.

## Part of the plan

Retirees can't exclude downsizing as an option in a retirement plan. The insufficient OAS and CPP are will force you to downsize for savings to live a comfortable retirement lifestyle.

### CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Investing

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1. NYSE:BMO (Bank of Montreal)
2. TSX:BMO (Bank Of Montreal)

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