



## Retirees: Don't Rely on ONLY Your OAS and CPP Pension

### Description

Will retirement strategies of Canadians change because of the pandemic-induced financial crisis? To begin with, if you were to rely on the Old Age Security (OAS) and Canada Pension Plan (CPP) alone, you're already [disadvantaged](#). The pensions aren't sufficient to provide economic stability in retirement.

The COVID-19 outbreak is without precedent. It's forcing would-be retirees to re-think long-term financial goals. If you lost your job, you should be preserving whatever savings you have left in your bank account. If you're lucky and working, you must keep funding your retirement account.

According to a 2019 poll by **Bank of Nova Scotia**, only 23% of Canadians consider saving for retirement a top priority. Other immediate [financial priorities](#) are the obstacles to serious planning. The current situation is ugly for retirees, but there's still time to take drastic measures.

### Load up your nest egg

The COVID-19 crisis will eventually end, and after it does, prospective retirees should take stock of their finances. Current retirees are belatedly finding out that the OAS and CPP are inadequate. The latest estimate is that a 65-year-old retiree can receive \$1,286.40 monthly. You might not have enough after paying the bills.

Likewise, you're putting yourself in a precarious situation with only the OAS and CPP. Another crisis could cause severe financial dislocation. Federal aid programs are quick fixes, not lasting solutions. Some planners suggest saving at least six months' or more worth of living expenses before you retire.

However, your money can quickly dissolve due to emergencies and other unforeseen expenses. If the OAS and CPP cover only 33% of the average pre-retirement income, you need other sources to fill the 67% gap. Retirement experts suggest saving and investing as much as possible to ensure a loaded nest egg when you retire.

## An asset for retirees

Serious retirement planning requires saving for the future. However, hoarding cash won't cut it. You need to invest the money for it to grow or compound over time. At the same time, it should provide an income stream to supplement the pensions.

If you're taking this route, you need a time-tested dividend stock like **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)). This \$88.15 billion pipeline giant is for young and old investors alike. When you buy this top-tier energy stock, hold it for the long haul. Your dividend earnings should be enduring, considering its 25-year dividend streak.

Over the last two consecutive week ends (August 7 and August 14, 2020), Enbridge was the back-to-back volume leader. Its appeal to investors isn't waning, despite the elevated volatility of oil. Don't mistake this operator of a vast pipeline network for an oil producer. Enbridge is the defensive stock in the energy sector and pays a mouth-watering 7.46% dividend.

## Build a fortune

No one plans for the OAS and CPP, because the payments are sure. It's a matter of deciding at what age you'll claim them. However, retirement life has more curveballs that you think. Make sure to build a fortune to supplement your OAS and CPP. The idea is to be ready and secure to face whatever comes your way in the sunset years.

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