



Emergency \$500 OAS Payment: No Canadian Left Behind

Description

Up to this day or five months since the coronavirus hit hard, Canadian Prime Justin Trudeau promises that no Canadians will be left behind. The government's spending on its COVID-19 Response Plan is massive, but it provides [every sector](#) with the much-needed financial assistance.

Most vulnerable sector

Among the vulnerable group are Canadian seniors. The elderly are facing both health and economic risks. Trudeau made sure there is a federal aid program exclusive to senior citizens. The emergency package is through the Old Age Security (OAS) and the Guaranteed Income Supplement (GIS) benefits.

The distribution of the monetary remuneration for Canadian seniors began on the week of July 6, 2020. If you're an existing OAS pensioner, you should be getting \$300 in additional payment. For GIS beneficiaries, the top-up is \$200.

Hence, recipients of both should have received a one-time total boost of \$500. A senior can use crisis money to spend on necessities or help them cope with rising costs.

Total package cost

Canada's budget for the COVID-19 emergency package dedicated to seniors is \$2.5 billion. The government prioritized the flagship program, Canada Emergency Response Benefit (CERB), to arrest the growing number of unemployment numbers. The OAS and GIS boosts came belatedly. Nonetheless, it was most welcome. It's a tax-free measure that adds to a senior's existing benefits.

According to Deb Schulte, Canada's minister for seniors, the one-time boost in OAS and GIS should give senior citizens greater financial security in the continuing pandemic. About 6.7 million will benefit from the OAS extra payment, while roughly 2.2 million will receive the additional GIS.

Pension supplement

Not all Canadian retirees [rely only on the OAS and Canada Pension Plan \(CPP\)](#). A substantial number have investment income apart from the pensions. Soon-to-be retirees should take the cue. You can navigate a crisis better or live comfortably in retirement if you have other income sources.

The sixth-largest bank in Canada isn't as famous as the Big Five in the banking sector, but it carries an impeccable dividend track record (10-year dividend streak). **National Bank of Canada** ([TSX:NA](#)) can address retirees' financial needs as the larger counterparts would.

Canadian bank stocks are known to be dependable income providers. In the 2008 financial crisis, no Canadian bank asked for a bailout from the central bank. All banks, including National Bank, are sacrificing income for safety. Net income fell in Q2 2020 because the bank increased its loan-loss provision.

Income-wise, this \$22.27 billion bank packs a 4.31% dividend yield. A \$50,000 investment should produce \$2,155 in passive income. You can purchase the stock at \$66.41 per share today. Analysts forecast the price to climb by nearly 25% should the economy returns to normalcy.

Financial flexibility

Seniors are well taken care of during the 2020 pandemic. The one-time boost in the OAS and GIS provides valuable help. However, it would be best if retirees have other income sources to supplement the OAS pension. Investment income will give you greater financial flexibility and a counter-measure against a future crisis.

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