# How to Supplement Your CPP Pension Income

## Description

Retiring solely OAS and CPP pension income isn't enough to finance anything more than a frugal lifestyle in most Canadian cities. For many retirees who want to a more comfortable retirement, they'll have to create their own income stream to supplement their pension income. Following the coronavirus crash, the yield bar has been raised across many COVID-hit stocks and REITs, allowing investors a rare opportunity to get more (sustainable) yield at a lower price of admission.



This piece will have a look at two high-yield securities that can help investors give their monthly income a boost without running the risk of eroding one's nest egg in the middle of retirement. By spending monthly income payments and not the invested principal, retirees can retire indefinitely without the fear of running out of money at some point down the road.

Without further ado, consider shares of **Telus** (TSX:T)(NYSE:TU) and **SmartCentres REIT** (TSX:SRU.UN), two attractively valued income investments with yields of 4.8% and 9%, respectively, at the time of writing. Shares of both firms have taken a hit from the COVID-19 crisis and are compelling options for retirees looking for income beyond their OAS or CPP pensions.

## Telus: A telecom titan with bragging rights!

Telus is a Canadian telecom that we all know and love. The stock sports a safe 4.8% yield alongside a low 0.56 beta, making the dividend stock a terrific holding for those who want to dampen their downside come the next market correction. The company currently holds the title of fastest wireless network in Canada, with download speeds in excess of 70 Mbps. Indeed, the company is leading the upward charge as far as network quality is concerned.

With interest rates likely to remain depressed for a longer duration of time, Telus's borrowing costs will remain low, as the company looks to roll out the next generation in telecom infrastructure (such as 5G) to new Canadian communities. Just because Telus has the best network quality right now doesn'tmean its stock will perform best moving forward, though. The company faces stiff competition from **Shaw Communications**, which has been lowering the price bar to offer Canadians one of the better value propositions for mobile and internet in the country.

Fierce competition doesn't bode well for Telus over the long run, but if you seek stability and income. The company pays a quarterly dividend, though, so investors should spread the amount across three months following every quarter.

## SmartCentres REIT: A top REIT to supplement a CPP pension

Up next, we have what I believe is the best value in the real estate space right now. SmartCentres REIT, as you may have guessed, is a retail-focused REIT that's felt the full force of the COVID-19 impact. While the "death-of-the-shopping mall" thesis had been dragging shares of the name down well before COVID-19 hit, I think the bear thesis has been exaggerated beyond proportion at this juncture.

SmartCentres has seen its rent collection rates improve steadily since the worst of the COVID-19 crisis in the first quarter. As the Canadian economy inches closer towards normalcy, I expect consumers to head back to the local SmartCentres, as they did last year. Once investors start witnessing more signs of recovery in a post-pandemic environment, I suspect SRU.UN could have a tonne of room to run over the next year. The distribution looks safe and ripe to grow over the long run, as SmartCentres continues on its smart strategy to diversify its portfolio beyond retail.



The 9% yield seems dangerous. But in actuality, it's far safer than most other +9% yielders out there, making the distribution a terrific supplement to your CPP pension.

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2. TSX:SRU.UN (SmartCentres Real Estate Investment Trust)
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joefrenette