



## OAS Gets a Significant Boost Next Year!

### Description

The Old Age Security (OAS) program supports millions of Canadians. Canadians over the age of 65 can expect to receive up to \$618.45 per month in pension payments. It's a significant boost to the social safety net for our nation's elders.

This week, the government has announced its intention to boost the program. If you're retired or close to retirement, here's what you need to know.

### OAS boost

Canada's finance minister Christina Freeland delivered the national budget this week. The budget offers a snapshot of how taxpayer money has been used over the past year and how the government intends to use its tax dollars in the years ahead. This budget was the first one we've received since 2019.

The government outlined expansions to several programs, including the OAS. Those eligible for the program *and are older than 75* should expect to receive a \$500 bonus payment in August this year. Meanwhile, monthly payments are being raised 10% next year and onward. The payments are already indexed to inflation.

To sum up, if you qualify for the program, you should expect hundreds of dollars more in monthly payments soon.

### Secure yourself

The government's ability to sustain and expand the OAS program should relieve Canadians of all ages. If you're eligible and the right age (75), you should see a bump in your pension right away. If you're much younger, you should expect similarly generous payments when you retire or get older.

That being said, creating your own safety net is still absolutely crucial. If you're planning ahead and thinking strategically, you already know that you can't completely rely on the government to secure your retirement. Instead, you should set some cash aside as soon as you can to invest in robust

dividend and growth stocks.

## Picking the right stocks

**Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) and **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) are great examples of robust growth and dividend stocks. Shopify doesn't [offer a dividend](#) but reinvests all its cash in expanding operations. It's a company worth \$175 billion in an industry that could be worth as much as \$30 trillion over the long term. In short, the company has an immense runway for growth.

If you invested \$1,000 in Shopify stock when it first listed in 2016, you would have \$40,000 today. Growth of this magnitude can help you easily secure your retirement, even if you don't start off with much cash.

However, if you already have the cash and resources to retire comfortably, your focus should be on generating steady income. A robust and reliable dividend stock like BCE should be ideal.

As the largest broadband and wireless service provider in the country, BCE has the ability to generate immense cash flow. As Canada's population expands, and the demand for wireless data keeps increasing, BCE's revenue could keep growing.

The stock offers a generous 6% dividend yield. You can also assume that its net income will grow 5% on average every year for the foreseeable future. Based on those assumptions, a \$10,000 investment in BCE stock should deliver \$600 in recurring annual cash flow or turn into \$19,833 within 10 years.

## Bottom line

The government has expanded the OAS program. But you should consider creating your own safety net with stocks like BCE.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:SHOP (Shopify Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:SHOP (Shopify Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
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