



Retirees: 8 Dividend-Paying Stocks to Supplement Your OAS and CPP

Description

The Canadian government provides its residents with a couple of pension plans, such as the Old Age Security, or OAS, and Canada Pension Plan, or CPP. These payouts can help you pay a few bills, but they're not enough to lead a comfortable life in retirement. For example, the maximum monthly amount for a new recipient starting pension at the age of 65 is \$1,203.75, and the average amount is \$619.44. Comparatively, the maximum OAS payout stands at \$626.49.

We can see that it's advisable to create multiple income streams to supplement the pension programs. One way to do so is by investing in blue-chip [dividend stocks](#) that enjoy a leadership position and benefit from wide economic moats. It might seem risky to invest in stocks when you are retired, but this asset class can still account for 20-40% of your portfolio, depending on your risk appetite.

We'll take a look at eight Canadian dividend-paying stocks that could be part of your retirement portfolio.

Toronto-Dominion Bank

The first stock on my list is Canadian banking giant **Toronto-Dominion Bank**, which has a forward yield of 3.7%. After adjusting for dividends, TD stock has returned 13.5% annually to investors in the last five years. Similar to most other Canadian big banks, TD has showcased its resiliency by surviving multiple economic cycles including the financial crash of 2008-09 and the COVID-19 pandemic.

Enbridge

One of the largest pipeline companies in the world, **Enbridge** is a quality dividend-growth stock. Its forward yield stands at a tasty 6.8%, and the company has increased these payouts at an annual rate of 10% in the last 26 years.

Brookfield Renewable Partners

A stock with massive upside potential, **Brookfield Renewable Partners** offers a forward yield of 3%. It's one of the largest renewable energy companies in the world with a diversified portfolio of cash-generating assets.

Fortis

A utility giant, **Fortis** is part of a regulated industry that allows it to generate cash flows across business cycles. It has a forward yield of 3.5%.

Telus

A major telecom player in Canada, **Telus** stock has a forward yield of 4.4% and has also returned 35% in capital gains to investors in the last five years. The ongoing transition towards 5G is a key driver of top line and earnings growth for the company in the next few years.

Algonquin Power & Utilities

A company valued at a market cap of \$12.4 billion, **Algonquin Power & Utilities** has a forward yield of 4.3%. The stock has also returned a stellar 450% since its IPO back in 2009. Algonquin operates in the utility and renewable energy space and has increased its dividends at a consistent rate over the last decade.

Bank of Nova Scotia

A financial giant that offers a dividend yield of 4.5%, **Bank of Nova Scotia** should be on the radar of most value and income investors. Banking stocks including BNS are poised to increased dividends going ahead, as certain capital-distribution restrictions have now been removed by the regulators.

Summit Industrial Income REIT

A real estate investment trust that is fairly recession proof is **Summit Industrial Income REIT**, which sports a dividend yield of 2.7%. But the stock has also returned 230% to shareholders in the last five years.

The Foolish takeaway

All the stocks mentioned above have the ability to increase their [dividend payments](#) over time due to strong fundamentals and a robust business model. These stocks will also increase your wealth via capital gains over the long run. If you invest \$10,000 in each of these stocks, you will be able to generate close to \$4,000 in annual dividends.

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Date

2025/09/27

Date Created

2021/08/25

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