



## 2 Top Dividend Stocks to Put in Your TFSA Next Year

### Description

With 2016 just around the corner, investors are looking for top picks to put in their TFSA accounts.

Here are the reasons why I think **Sun Life Financial Inc.** ([TSX:SLF](#))([NYSE:SLF](#)) and **BCE Inc.** ([TSX:BCE](#))([NYSE:BCE](#)) are solid bets right now.

#### Sun Life

Sun Life really took it on the chin during the Great Recession, but the company has restructured its operations and is back on track.

Net income for Q3 2015 came in at \$482 million, or \$0.79 per share, up from \$0.71 per share in the same period last year.

Operations in Canada, the U.S., and Asia all delivered solid results.

Sun Life has made several acquisitions in the past year with a focus on asset management. The move into this area of the market will complement the existing insurance and wealth management operations, and investors should start to see the benefits in 2016.

The company is also expanding in Asia with a special focus on India. The Indian government has changed ownership rules in the insurance industry that will allow Sun Life to boost its stake in its Birla Sun Life partnership from 26% to 49%. The insurance market in India is expected to grow significantly in the coming years, and Sun Life is positioned well to take advantage of that opportunity.

Sun Life finally raised its dividend in 2015. The company hiked the quarterly payout by 6% in the spring to \$0.38 per share and recently increased it again to \$0.39. The distribution now offers a yield of 3.6%.

Investors with an eye on a financial stock might want to consider Sun Life as an alternative to the banks, which are facing some economic headwinds.

## BCE

BCE continues to generate strong results.

Wireless revenue in the third quarter rose 9.3% compared with the same period last year as the company added about 78,000 net new postpaid mobile subscribers. Customers are consuming more data, and that drove the Q3 blended average revenue per user to \$65.34, up from \$61.59 in the third quarter of 2014.

The company generates a ton of free cash flow and returns a significant part of it to shareholders. BCE pays a quarterly dividend of \$0.65 per share that yields 4.9%. The distribution is safe and should increase in step with free cash flow growth in the coming years.

Some pundits are concerned about the new changes to TV subscriptions. Beginning in March 2016 Canadians will have the option to sign up for a basic \$25 TV package and then add channels on a pick-and-pay basis. There is a risk that some content currently rolled into packages will simply get left out in the cold, and subscribers could attempt to lower their TV bills.

The concerns on content are valid, although BCE is less at risk than some of the other content producers. As for subscription revenues, I think consumers will simply add channels until they hit their current payments.

## CATEGORY

1. Dividend Stocks
2. Investing

## TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. TSX:BCE (BCE Inc.)
3. TSX:SLF (Sun Life Financial Inc.)

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