



5 Top Dividend Stocks to Consider for Your TFSA

Description

Tax-Free Savings Accounts (TFSAs) offer Canadians who are 18 and older the opportunity to set money aside and earn investment income without having to worry about the taxman, even when it's withdrawn. Dividend stocks are ideal investments for TFSAs, but not all dividend stocks are created equal, so this is where you must do your homework.

Fortunately for you, I've done the necessary homework and compiled a list of five stocks with high dividend yields, active streaks of annual increases, and the ability to continue growing their payouts going forward, so let's take a quick look at each to determine which ones belong in your TFSA.

1. Telus Corporation

Telus Corporation ([TSX:T](#))([NYSE:TU](#)) is Canada's second-largest wireless provider, its third-largest internet provider, and its third-largest provider of television services. Overall, it's the country's third-largest telecommunications company with approximately 12.44 million customer connections.

It pays a quarterly dividend of \$0.46 per share, or \$1.84 per share annually, which gives its stock a yield of approximately 4.5% at today's levels. Investors must also note that its three dividend hikes since the start of 2015, including its 4.5% hike last month, have it on pace for 2016 to mark the 13th consecutive year in which it has raised its annual dividend payment, and it has a dividend growth target of 7-10% annually through 2019.

2. Jean Coutu Group PJC Inc.

Jean Coutu Group PJC Inc. (TSX:PJC.A) is one of Canada's largest franchisors of drugstores, and it's one of the country's leading manufacturers of generic drugs.

It pays a quarterly dividend of \$0.12 per share, or \$0.48 per share annually, which gives its stock a yield of approximately 2.5% at today's levels. Investors must also note that its 9.1% dividend hike in April has it on pace for fiscal 2017 to mark the 10th consecutive year in which it has raised its annual dividend payment.

3. Genworth MI Canada Inc.

Genworth MI Canada Inc. (TSX:MIC) is the parent company of Genworth Financial Mortgage Insurance Company Canada, which is Canada's largest private residential mortgage insurer.

It pays a quarterly dividend \$0.42 per share, or \$1.68 per share annually, which gives its stock a yield of approximately 5.1% at today's levels. Investors must also note that its 7.7% dividend hike in October has it on pace for 2016 to mark the seventh consecutive year in which it has raised its annual dividend payment.

4. Royal Bank of Canada

Royal Bank of Canada ([TSX:RY](#))([NYSE:RY](#)) is Canada's largest bank with about \$1.15 trillion in assets.

It pays a quarterly dividend of \$0.81 per share, or \$3.24 per share annually, which gives its stock a yield of approximately 4.2% at today's levels. Investors must also note that its three dividend hikes since the start of 2015, including its 2.5% hike in February of this year, have it on pace for 2016 to mark the sixth consecutive year in which it has raised its annual dividend payment, and it has a long-term payout target of 40-50% of its net earnings.

5. Boston Pizza Royalties Income Fund

Boston Pizza Royalties Income Fund ([TSX:BPF.UN](#)) owns the trademarks and other intellectual property associated with the Boston Pizza brand in Canada, and it licenses these properties for use in operating and franchising casual dining restaurants.

It pays a monthly distribution of \$0.115 per share, or \$1.38 per share annually, which gives its stock a yield of approximately 7.4% at today's levels. Investors must also note that its two distribution hikes since the start of 2015, including its 6.2% hike in February of this year, have it on pace for 2016 to mark the fifth consecutive year in which it has raised its annual distribution, and it has a long-term payout target of 100% of its distributable cash.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:RY (Royal Bank of Canada)
2. NYSE:TU (TELUS)
3. TSX:BPF.UN (Boston Pizza Royalties Income Fund)
4. TSX:RY (Royal Bank of Canada)
5. TSX:T (TELUS)
6. TSX:TLRY (Aphria)

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