

## 4 Dividend Stocks That Belong in Your TFSA

### Description

In 2009, the Tax-Free Savings Account (TFSA) program began, offering Canadians who are 18 and older the opportunity to set money aside tax-free throughout their lifetimes.

Contributions to a TFSA are not deductible when it comes to your taxes, but any amount contributed as well as any income earned in the account, including capital gains, dividends, and interest, is essentially tax-free, even when it's withdrawn.

If you don't already have a TFSA, you should strongly consider opening and contributing to one, and if you do already have one, here are four great dividend stocks that you should consider adding to it today.

#### 1. Hydro One Ltd.

**Hydro One Ltd.** ([TSX:H](#)) is Ontario's largest electric transmission and distribution company. It delivers electricity to more than 1.3 million customers across the province, and to large industrial customers and municipal utilities.

It pays a quarterly dividend of \$0.21 per share, or \$0.84 per share annually, which gives its stock a yield of about 3.3% at today's levels. Investors must also note that the company went public in November of last year, it declared its first quarterly dividend in February of this year, and it has a target dividend-payout range of 70-80% of its net earnings.

#### 2. Sun Life Financial Inc.

**Sun Life Financial Inc.** ([TSX:SLF](#))([NYSE:SLF](#)) is one of the world's leading providers of protection and wealth products and services, including insurance, investment and retirement savings products, and financial planning. It has more than 37 million clients across North America, South America, Asia, Europe, and Australia.

It pays a quarterly dividend of \$0.405 per share, or \$1.62 per share annually, which gives its stock a yield of about 3.8% at today's levels. Investors must also note that the company's three dividend hikes since the start of 2015 has it on pace for 2016 to mark the second consecutive year in which it has raised its annual dividend payment, and it has a target dividend-payout range of 40-50% of its underlying net earnings.

#### 3. Crombie Real Estate Investment Trust

**Crombie Real Estate Investment Trust** ([TSX:CRR.UN](#)) is one of Canada's largest commercial REITs. It owns and manages 283 retail and office properties across the country, comprising of approximately 19.3 million square feet.

It pays a monthly distribution of \$0.07417 per share, or \$0.89 per share annually, which gives its stock

a yield of about 5.8% at today's levels. Investors must also note that the company has maintained this annual rate since 2009, and its increased amount of adjusted funds from operations could allow it to continue to do so going forward or allow it to announce a hike when it releases its second-quarter earnings results on August 4.

#### 4. Innergex Renewable Energy Inc.

**Innergex Renewable Energy Inc.** ([TSX:INE](#)) is one of the world's largest independent renewable power producers with operations in Canada, the United States, and France. It has ownership interests in 42 operating renewable power generation facilities, comprising of 28 hydroelectric facilities, 13 wind facilities, and one solar facility, and it has another four facilities under construction, comprising of three hydroelectric facilities and one wind facility.

It pays a quarterly dividend of \$0.16 per share, or \$0.64 per share annually, which gives its stock a yield of about 4.3% at today's levels. Investors must also note that the company's 3.2% dividend hike in February has it on pace for 2016 to mark the third consecutive year in which it has raised its annual dividend payment, and it has stated that it intends to grow its dividend as its free cash flow grows.

#### CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

#### TICKERS GLOBAL

1. TSX:CRR.UN (Crombie Real Estate Investment Trust)
2. TSX:H (Hydro One Limited)
3. TSX:INE (Innergex Renewable Energy)
4. TSX:SLF (Sun Life Financial Inc.)

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