

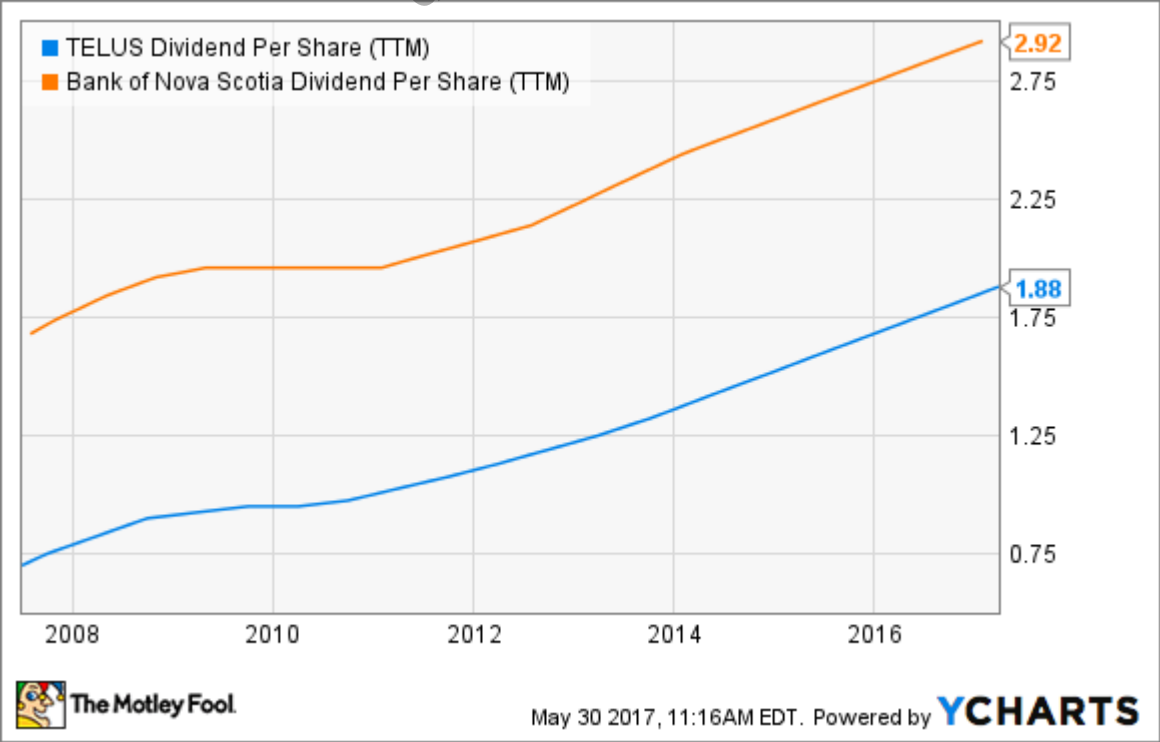


Retirees: 2 Incredibly Reliable High-Yield Dividend Stocks to Buy Today

Description

High-yield dividend stocks can be a great source of income for retirees, provided the yields are growing and sustainable. Not all high-yield stocks offer security, which is why it's important to weigh your options before you add dividend stocks to your retirement portfolio. I believe **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) and **Telus Corporation** ([TSX:T](#))([NYSE:TU](#)) are two such reliable dividend stocks that retirees can buy today.

Just look at how dividends at both companies have grown in the past decade.



Both stocks yield around 4% today and have the potential to grow their dividends substantially in coming years. Here's why.

Telus: Assuring you of 7-10% higher dividends

How many companies do you know of that increase or intend to increase their dividends every six months? Telus is an exceptional dividend stock for several reasons, including management's new three-year program in which it aims to increase dividends semi-annually with target annual increases of 7-10% between 2017 and 2019. That's no mean feat for any company, let alone a telecommunications company.

Earlier this month, Telus announced a 7.1% increase in dividends, marking its 13th such increase since 2011. That's 13 dividend increases in six years. Over the period, the company's dividend has grown by a whopping 88%.

As Canada's second-largest telecommunications company with 12.7 million subscriber connections, Telus has its foot placed firmly on the growth accelerator in an essential industry. Telus has consistently earned a net margin above 10% over the years and is confident of delivering strong returns going forward, as evidenced by its dividend-growth target. A combination of growing dividends with a solid yield is all retirees need to strengthen their retirement portfolios.

Bank of Nova Scotia: 43 years of dividend increases and counting

A bank stock might sound like a risky proposition for retirees, but Bank of Nova Scotia's dividend history is proof of its resilience. The bank has increased its dividend in 43 of the past 45 years and has been paying a dividend since 1832. You can call that one of the most bankable dividend stocks in Canada without batting an eyelid.

Bank of Nova Scotia's strength lies in its global footprint; aside from the U.S., it has established its presence in Europe, Asia-Pacific, and Australia. In its just-released second-quarter earnings report, Bank of Nova Scotia reported a 30% year-over-year jump in net income, with the largest portion of increase coming from net interest income. The company also improved its return on equity considerably to 14.9% from 12.1% in the year-ago quarter.

Bank of Nova Scotia continues to maintain a strong Tier 1 capital ratio of around 11%, meaning the bank is well funded, which should allow it to invest in growth while returning a greater portion of profits to shareholders in the form of dividends and buybacks. Going by the bank's strong earnings growth and a payout ratio of under 50%, there's tremendous room for growth in Bank of Nova Scotia's dividend, which is what you need to fund your retirement.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
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2. NYSE:TU (TELUS)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:T (TELUS)

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