Retirees: 3 Top Canadian Dividend Stocks to Boost Your Monthly TFSA Income

Description

Canadian pensioners are searching for ways to increase the returns they get on their retirement savings.

One popular strategy involves owning dividend-growth stocks inside a TFSA, as all the distributions are protected from the taxman.

Let's take a look at three Canadian companies that might be interesting picks today.

Bank of Montreal (TSX:BMO)(NYSE:BMO)

Investors often overlook Bank of Montreal in favour of its larger peers, but the company probably deserves more respect.

Why?

The bank has a diversified revenue stream coming from strong commercial and retail banking, wealth management, and capital markets operations. Bank of Montreal also has a large presence in the United States with more than 500 branches primarily located in the Midwest.

The company has paid a dividend every year since 1829. At the time of writing, investors can pick up a yield of 3.8%.

Telus Corporation (TSX:T)(NYSE:TU)

Telus provides mobile, internet, and TV services to customers across Canada. The company also has a growing health division, which is the market leader in providing digital solutions to Canadian doctors, hospital, and insurance companies.

Management works hard to ensure the company's customers are happy, and those efforts continually show up in the numbers. Telus regularly reports the industry's lowest mobile churn rate and the average revenue per user continues to increase.

Telus has a strong track record of dividend growth. The stock currently provides a yield of 4.4%.

Enbridge Inc. (TSX:ENB)(NYSE:ENB)

Enbridge bought Spectra Energy last year in a $37 billion deal that created North America's largest energy infrastructure company. Spectra added important gas assets and provided a nice boost to the capital program.

The company is working through $22 billion in near-term projects that should be completed by the end of 2020. As the assets go into service, Enbridge says it expects cash flow to support annual dividend increases of at least 10% over that time frame.

Management raised the payout by 15% last year and increased it 10% for 2018. The stock has pulled back significantly, giving investors a chance to pick up a very attractive yield of 6.9%.

Is one a better bet?

All three companies offer attractive dividends that should be safe. I would probably split a new investment between the names today to get diversification across the three sectors and pick up exposure to the U.S. through Enbridge and Bank of Montreal.

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