



2 Top Dividend Stocks to Stash in Your Retirement Portfolio

Description

If you're planning to build a portfolio to generate steady retirement income, it's important that you hold stocks that pay regular dividends.

For retirees, investing in stocks has become very important in this environment, when returns on other saving products aren't so great. Even after three consecutive interest rate hikes by the Bank of Canada in the past 12 months, the yield on the benchmark 10-year Canadian bond is still hovering around 2%. And the best GIC rate isn't more than 3%.

In this low-rate environment, investors are forced to look towards riskier options, such as equities, to make a meaningful return for the nest egg they're building. But investing in equities require a little more planning and the right picks. Here are the two top dividend stocks you should consider while building your retirement portfolio

BCE Inc.

BCE Inc. ([TSX:BCE](#))([NYSE:BCE](#)) is one of the most widely held dividend stocks in Canada. What makes this largest telecom operator so attractive for the saving class is the company's ability to produce huge cash flows and distribute most of them in payouts.

After getting a 5.2% hike in the annual payout in February, long-term investors are receiving dividends that have more than doubled during the past decade. The last increase in the payout was BCE's 14th since 2008.

Going forward, there are a plenty of reasons to believe this growth will continue. The company has invested tens of billions of dollars in everything from wireless to data lines to media assets. BCE is rapidly expanding Canada's broadband fibre and wireless network infrastructure, with annual capital investments surpassing \$4 billion.

After a recent pullback in its share price, BCE's dividend yield has reached an attractive 5.6%, which is higher than its five-year average of 4.86%. Given the company's ability to generate hefty cash flows amid the growing nature of its business, I think BCE is a good pick for investors seeking to build their nest egg.

TC Pipelines LP

The Calgary-based **TC Pipelines LP** ([TSX:TRP](#))([NYSE:TRP](#)) is another top dividend stock for retirees to consider. Energy infrastructure companies, which manage pipelines and storage facilities, and bring power and gas to our homes, are some of the best dividend stocks when it comes to earning stable income.

TC runs a network of pipelines that transports natural gas and liquids. It also produces power and manages gas-storage facilities. Fueled by its growing asset base, TC has been able to raise its dividend for 17 consecutive years.

Currently, TC has been pursuing \$48 billion worth of medium- to long-term projects. In the short to medium term, TC has about \$24 billion worth of projects that it aims to complete by the end of the decade.

Early this year, the company hiked its quarterly dividend by 10.4% to \$0.69 per share. With a payout ratio of over 80% of its comparable earnings, [TC's dividend](#) looks safe. With an annual dividend yield of 4.85%, TC is a good long-term investment to hold in your retirement portfolio.

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