



Want a Gift Trip to Hawaii? Buy These Dividend Stocks for Your TFSA Today

Description

The TFSA has been a welcome addition to our arsenal of investment vehicles aimed at helping us save for retirement and keep more of what we earn today to fund our dreams.

These tax savings are significant. Let's assume that you earn \$3,300 in dividend income and that you're in the 25% tax bracket. You now owe approximately \$825 in taxes.

Now let's assume that this dividend income was earned within your [TFSA](#). Now you're exempt from having to pay taxes as you reap the rewards of tax-free income and capital gains.

So you have an extra \$825 to add to your savings and grow your wealth faster or to make that extra purchase, say a trip to Hawaii. That's just the flight, but you get my point here. I consider it a gift — money you wouldn't have had if you didn't make full use of your TFSA.

So do it if you can.

I think we're throwing money away if we don't do our best to try to take advantage of the [tax-savings](#) that the TFSA offers us, so I would pull out all the stops to do so.

Consider **TC Energy Corp.** ([TSX:TRP](#))([NYSE:TRP](#)), a Canadian energy mainstay that's been developing and maintaining energy infrastructure in Canada for over 65 years while handsomely rewarding shareholders.

Currently yielding a hefty 4.57%, this income can be considered as safe and reliable as they come. In the last 10 years, the stock has soared, all while delivering yearly dividend increases that have brought the dividend per share from \$1.52 to \$3.00. After an 8.7% dividend increase in February 2019, the company has guided to 8% to 10% annual dividend growth through to 2021.

Consider Enbridge Inc. ([TSX:ENB](#))([NYSE:ENB](#))

Enbridge stock is currently yielding 5.91%, as it also has a solid history of dividend growth and value

creation.

In fact, since 1996, investors have enjoyed 22 years of dividend increases, with a 33% dividend increase in 2015, a 14% increase in 2016, a 15% increase in 2017, and a 10% increase in 2018.

In closing

The Canadian energy sector is not going anywhere yet, but these days it's mired in uncertainty and apathy. This is an opportunity to get into two of the best energy infrastructure stocks today.

Investing half of the TFSA limit (\$31,750) into each of these dividend stocks, you can earn approximately \$3,300 in annual dividend income tax-free – an \$825 gift that you can withdraw at any time, also tax-free and the type of gift that we should do our best to take full advantage of.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:TRP (Tc Energy)
3. TSX:ENB (Enbridge Inc.)
4. TSX:TRP (TC Energy Corporation)

PARTNER-FEEDS

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