



## 3 Top Stocks to Build a TFSA Pension

### Description

Canadians are using their self-directed TFSAs to create sideline pension funds to go along with their anticipated CCP, OAS, and employment [retirement](#) plans.

Let's look at three stocks that should be solid buy-and-hold picks that can deliver reliable and growing distributions for decades.

### BCE

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is a leader in the Canadian communications market with assets that span the full spectrum of the industry. The company's world-class wireless and wireline network stretches across the country, and its investment in the ongoing expansion of the fibre-to-the-premises initiative should enhance BCE's wide competitive moat.

On the media side, BCE has interests in sports teams, a television network, radio stations, specialty channels, and a video-streaming service. It also operates retail shops across the country. Owning content that customers crave in addition to the infrastructure that delivers it to them creates a powerful business.

BCE's current CEO is retiring in January, but the new leader is already part of the senior management team, so the transition will be smooth. BCE should continue to deliver slow and steady revenue growth and the business generates sufficient free cash flow to support the generous dividend. Investors who buy today can pick up a [yield](#) of 5.2%.

### Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a North American utility company with more than \$50 billion in assets that include power generation, electric transmission, and natural gas distribution.

The bulk of the assets is located in the United States, giving investors good exposure to that market

through a Canadian stock. Revenue primarily comes from regulated businesses, meaning the cash flow stream should be predictable and reliable. People need to turn on the lights, heat their homes, and cook their food, regardless of the state of the economy, so Fortis tends to hold up well when equity markets hit a rough patch.

The board has raised the dividend for 45 straight years and intends to boost the payout by at least 6% per year through 2023. The current dividend offers a yield of 3.4%.

## TD

**Toronto Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is a giant in the Canadian and U.S. banking sector with a market capitalization of \$142 billion.

The bank generates profits of about \$1 billion per month and has the financial capacity to invest in digital solutions and services to ensure it remains competitive in a rapidly changing industry. TD actually operates more branches in the United States than it does in Canada, and the American group provides roughly one-third of the overall earnings.

Management expects earnings per share to grow at 7-10% in the coming years and dividend increases should be in line with that target. The existing distribution provides a yield of 3.8%.

## The bottom line

BCE, Fortis, and TD are all top-quality companies with strong businesses that have paid reliable dividends for decades. If you are searching for buy-and-hold stocks to generate passive income in your TFSA, these companies deserve to be on your radar.

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2. Dividend Stocks
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1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:TD (The Toronto-Dominion Bank)
4. TSX:BCE (BCE Inc.)
5. TSX:FTS (Fortis Inc.)
6. TSX:TD (The Toronto-Dominion Bank)

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