



Fatten Up Your TFSA With 2 of Canada's Best Dividend Stocks

Description

Who minds having extra cash coming into their accounts regularly? Canadians who know about Tax-Free Savings Accounts (TFSAs) understand that this account type is perfect for becoming a wealthy investor in the long run. Many Canadians do not realize there is more to your TFSA than holding cash and GICs.

Canadians who use TFSAs know that any of their contributions to the account will be tax-free, from the point of adding to the account to even withdrawing it. If you are not using your TFSA to hold high-yield, dividend-paying stocks, you are robbing yourself of an opportunity to fatten up your account.

It does not matter if you are almost a retiree who wants to create a passive-income stream for your retired life or a millennial looking to make some extra money on the side. Using your TFSA to hold dividend stocks is the best way to go.

To this end, I will discuss two of Canada's best dividend stocks that you can add to your TFSA to fatten up the account: **Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) and **Nutrien** ([TSX:NTR](#))([NYSE:NTR](#)).

Pembina Pipeline

One of Canada's premier companies operating in the energy sector, Pembina, is also [an excellent dividend-paying company](#). The company's shares trade for \$46.58 each, up 9.39% from the same time last year. Despite the decline in oil prices this year, Pembina seems to be doing much better than it was at the same time a year ago.

Pembina is also one of the companies on the TSX known as a Dividend Aristocrat. Dividend Aristocrats are companies with histories of increasing dividend payments to shareholders annually. In the past decade, Pembina increased its dividend payouts by 4.2% on average. Pembina also pays dividends every month. You can rely on the company's shares to give your TFSA a boost every month.

The dividend yield for Pembina shares is a juicy 5.15% at the time of writing, making it one highly attractive stock to consider.

Nutrien

If you are into agriculture stocks, but not [the kind that sells cannabis](#), you might be in for a treat with Nutrien. Two Canadian publicly registered agriculture companies in Canada, Agrium Inc., and Potash Corp., joined hands last year to form Nutrien. The combined company is a massive international entity with a retail network of 1,500 centres, conducting operations in 14 different countries and having over 20,000 employees.

The merger is only a recent one, and I know it will take years for the new company to reach its full potential to deliver benefits. The combined company can reduce operational inefficiencies that the two organizations had as separate entities. Nutrien stocks, unlike Pembina, might not be immediately as beneficial, but the stock holds a lot of promise.

With an operating cash flow over \$1.2 billion for the past five years, the merger between two of the top fertilizer companies in the world can likely be a success story as good as the **ExxonMobil** merger. The dividend yield for the company is at a relatively modest 3.71% at the time of writing, and the \$64.26 per share value has seen its fair share of volatility over the year.

The substantial cash flow, however, ensures a secure future, moving forward. Shareholders should have plenty to look forward to in the coming years.

Foolish takeaway

Judging by Pembina's historical reputation as one of the best dividend payers on the TSX, and Nutrien's long-term potential of becoming one, I feel these two stocks could be great additions to your TFSA.

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1. NYSE:NTR (Nutrien)
2. NYSE:PBA (Pembina Pipeline Corporation)
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