



## Tax-Free Stock Market Dividends: Build Retirement Revenue

### Description

Many Canadians don't want to take charge of their own retirement because they're too afraid of losing their money to self-manage stock market decisions in their Tax-Free Savings Accounts (TFSA) and Registered Retirement Savings Plans (RRSPs).

If you aspire to one day retire, you need to gain the confidence to choose your stock market investments. It isn't as difficult as you may believe, however. Every Canadian can learn how to make wise investments in the **Toronto Stock Exchange**.

The popularity of the internet has quickened the exchange of information, making it easier for all Canadian citizens to research stocks to buy.

Millennials are using the internet to make sound financial decisions. Even Canadian pensioners and retirees can learn to identify safe, dividend stocks for their TFSAs and RRSPs.

**Pizza Pizza Royalty Corp** ([TSX:PZA](#)) is a monthly dividend-payer with growing earnings and revenue. Market participants have undervalued the stock at \$9.47 per share. A Canadian saver without a lot of cash to spend could easily pick up 100 shares of Pizza Pizza Royalty Corp for only \$947.

## Profitable stocks are perfect for RRSPs

Registered Retirement Savings Plans require discipline to manage profitably. Canadian investors should watch that they don't buy stock in too many risky positions, which is why Canadian investors must research [the profitability of the company](#) before making a purchase.

Pizza Pizza Royalty brings in an earnings per share (EPS) of \$0.85. Canadian investors want to find stocks with positive earnings per share. If the management reports a negative EPS, the investment likely carries more risk.

The trailing 12 months levered free cash flow (FCF) reported by Pizza Pizza Royalty is positive at \$21 million. Positive levered free cash flow is a sign that the company's debt payments are not reducing

shareholder returns too much. If you stick to purchasing stocks with a positive FCF, you'll make more high-quality investments.

## Tax-free dividends are a fantastic income source

Canadian retirees can either reinvest dividends to increase the value of their retirement accounts or consider dividends a supplement to pension income, which is why dividend stocks are such an excellent investment for a TFSA or RRSP.

As long as the stock is cheap with a stable price history, dividends can be a liquid, tax-free source of revenue during retirement.

Many monthly [dividend stocks](#) like Pizza Pizza Royalty give retirees a consistent stream of income at high yields. Pizza Royalty last issued a dividend of \$0.071 per share in November at a trailing annual dividend yield of 8.93%. A 100-share position amounts to an extra \$7 per month and \$84 per year.

It's difficult to beat this monthly dividend payment. Even a high-yield savings account will not give you an equal income for the same initial investment.

If you plan on making a long-term stock purchase, Pizza Pizza Royalty is a profitable dividend payer and an outstanding addition to any TFSA or RRSP.

## The stock market is accessible to research

Canadians can find plenty of information online about the stock market to make sound investment decisions. The internet has opened up many doors. In growing numbers, Canadians are steadily becoming more active in the stock market and are self-managing their long-term savings.

The Canada Revenue Agency provides substantial, easy-to-understand information on rules surrounding tax-free investing in a TFSA or RRSP.

If you haven't already begun self-managing your retirement portfolio, there's no better time like the present to jump on board the journey to self-reliance and tax-free investment returns.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Stocks for Beginners

### TICKERS GLOBAL

1. TSX:PZA (Pizza Pizza Royalty Corp.)

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