



## TFSA Users: Earn \$453/Year on Your New \$6,000 TFSA Limit in 2020

### Description

The new TFSA annual contribution limit in 2020 of \$6,000 is the same as the limit this year. Even if the amount did not change, it enables you to contribute again to increase and grow your TFSA balance.

In case you're looking for dividend stocks that could deliver the highest possible returns on your \$6,000, consider **Rogers Sugar** ([TSX:RSI](#)) and **Whitecap** ([TSX:WCP](#)). Equally, divide your new TFSA limit to purchase the stocks. With an average yield of 7.265%, your potential annual tax-free earning are \$435.90.

Assuming you have not utilized the total TFSA contribution room of \$63,500 as of 2019, your potential passive income in a year is \$4,613.28. You have the option to reinvest the dividends to benefit from the compounding effect.

### Sweetened dividend

After 22 years of profitable operations, Rogers Sugar has maintained its [sweetness](#), especially to TFSA users. Besides the affordable price of less than \$5, this \$517 million mainstay in the confectioners' industry pays a juicy dividend of 7.27%.

Sugar is a low-growth business. But since it's a consumer staple, the demand is consistent, and so are profits. In the fiscal year 2019, however, Rogers Sugar posted negative income for the first time in four years.

Aside from the allied maple sugar not delivering, there was a goodwill impairment of \$50 million for the product segment. For the fiscal year 2020, management expects vast improvement and a return to positive territory. Also, the setback of Rogers Sugar this year is temporary.

The sugar production and processing business are enduring. Diversifying and expanding into other refined sugar products is advantageous. It will help protect future revenue streams, because the products have higher profit margins.

## Upsized yield

Calgary-based Whitecap is also trading at less than \$5. But this developer of petroleum and natural gas properties in Canada is among the dividend machines on the TSX. If you're maximizing your TFSA, nothing can be more delightful than having a dividend stock that has a monstrous yield of 7.26%.

The current market capitalization of Whitecap is \$1.96 billion. Despite the general industry weakness and depressed oil prices, it's unlikely that the company will move the needle to bring down the dividend yield. The balance sheet is solid, and the \$1.2 billion outstanding liability is long term.

From all indications, Whitecap has the financial flexibility to endure declining oil prices. Furthermore, the light oil resource base of its core operating areas in Alberta, British Columbia, and Saskatchewan has stable production and low base decline. The cash flow stream is predictable, just like the dividend payments.

## Fantastic gains

Opening a TFSA is the first step of Canadians turning 18 years old to build wealth. The second step is to save and let the money work and compound. If the capital is limited, high-yield dividend stocks are the rational choices because of the fantastic gains.

If you're an active TFSA user, it would be beneficial to scoop Rogers Sugar and Whitecap to add to your [2020 TFSA portfolio](#). Both stocks are low-priced dividend machines. You can amass more shares with your new \$6,000 annual contribution limit.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:RSI (Rogers Sugar Inc.)
2. TSX:WCP (Whitecap Resources Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
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