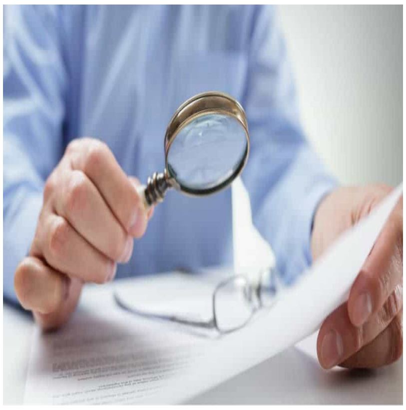

Dividend Seekers: Add These 5% Yielders to Your TFSA

Description

An increasing number of Canadians are using the Tax-Free Savings Account (TFSA) to achieve their savings goals. A lot of Canadian retirees and other income investors are utilizing high-yield dividend stocks to boost their income through the annual payouts.

With the $6,000 increase in the contribution limit, the maximum contribution room you have in TFSA is $69,500 per person. You have the space to buy and hold high-quality stocks that can help you earn a substantial amount in passive income through dividends without worrying about entering a higher tax bracket.

Investors of all ages will find tax-free earnings beneficial. Canadian retirees in particular love the tax-free earnings through TFSAs. It helps them make more money without worrying about crossing the threshold for Old Age Support (OAS) pension clawbacks.

To this end, I am going to discuss **Canadian Imperial Bank of Commerce** (TSX:CM)(NYSE:CM) and **Alaris Royalty** (TSX:AD) stocks. It might be worth assigning some of the contribution room in your TFSA to shares from the two companies, so you can boost your TFSA income.

Alaris

Alaris is a financial service and investment company based in Canada. The firm provides capital through limited partnership interests, long-term licences, or royalty contracts to private businesses. Its portfolio consists of Canadian companies with steady growth.

Alaris stock is trading for $22.36 per share at this writing. The annual dividend it pays to shareholders is $1.65 per share, making its dividend yield a substantial 7.38%. The stock is trading for more than 35% below its five-year high, but it has recovered well from its 52-week low of $17.70 per share.

Alaris Royalty has a market capitalization of $820.82 million at this writing, and it has a five-year earnings growth estimated at 8%.

CIBC

Canadian banks can be excellent choices for investors looking to boost their passive income through dividends. Canadian Imperial Bank of Commerce is often overlooked by investors since it is the smallest of Canada's Big Five banks. It doesn't help that CIBC also has a reputation for putting itself in challenging situations.

CIBC has worked hard in recent years to recover its reputation by diversifying its revenue stream. The bank made several acquisitions worth more than $5 billion across the border in the United States to expand its operations.

The bank's U.S. expansion is proving itself to be successful for the company. Its U.S. operations accounted for 17% of the bank's overall revenue. With time, CIBC's U.S. operations will contribute an increasing amount to its net income.

A housing market crash may entail risks for CIBC's earnings, but low-interest rates mitigate the possibility of that happening. The decline in bond yields through 2019 also resulted in lower fixed-rate mortgage costs. Increasing immigration is keeping the demand for Canada's housing high.

A well-capitalized bank, CIBC has a healthy dividend yield of 5.3%, which makes it an attractive option to consider.

Foolish takeaway

I think both Alaris and CIBC have robust fundamentals to become excellent long-term buys. Allocating some of the contribution room in your TFSA to shares from both stocks could help you substantially boost your passive income for the foreseeable future.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
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POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:AD.UN (Alaris Equity Partners Income Trust)
3. TSX:CM (Canadian Imperial Bank of Commerce)

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