



## TFSA Investors: 2 Stocks to Pay You More Than \$5,000 a Year With a \$50,000 TFSA

### Description

A Tax-Free Savings Account (TFSA) is a great tool to save money for projects and for retirement. The big advantage of the TFSA compared to the RRSP is that you can withdraw money from your TFSA whenever you want without paying any penalties or taxes.

In addition, the money in your RRSP will eventually be taxed when you convert it into an RRIF. On the other hand, the money you're making in a TFSA will never be taxed.

Buying dividend stocks is a great way to profit from the TFSA's advantages. That way, you can earn extra income free of taxes to pay for whatever you want.

If you'd like to earn \$5,000 in dividends per year but have a TFSA of only \$50,000, that's possible. There are a few stocks on the **TSX** that have a dividend yield of 10% or more.

Among them, **Chemtrade Logistics Income Fund** ([TSX:CHE.UN](#)) and **Vermilion Energy** ([TSX:VET](#))([NYSE:VET](#)) look like good choices. Let's look at these two stocks more closely.

### Chemtrade Logistics Income Fund

Chemtrade Logistics Income Fund was founded in 2001 and is headquartered in Toronto. The diversified publicly traded company supplies industrial chemicals and services to customers in Canada, the United States, and South America.

Chemtrade operates through three segments: Sulphur Products & Performance Chemicals (SPPC), Water Solutions & Specialty Chemicals (WSSC), and Electrochemicals (EC) segments.

In March 2017, Chemtrade expanded significantly when it finalized its \$900-million buyout of Canexus Corp, giving Chemtrade a business that produces and sells sodium chlorate and chlor-alkali products to the pulp and paper, water treatment, and oil and gas industries.

The acquisition was the largest since Chemtrade purchased General Chemical in January 2014 for \$941.5 million.

If you want to receive a high amount in dividends, Chemtrade is one of the best stocks for this, as its trailing annual dividend yield is a very high at 10.2%.

The stock has soared by more than 15% over one year and is now trading close to \$11 at writing. The dividend of \$0.10 per share is paid monthly, which is interesting for investors looking for regular and steady income.

For fiscal 2020, [revenue](#) is expected to increase by 1.6% to \$1.6 billion, while EPS should grow by 122% to \$0.22.

## Vermilion Energy

Vermilion Energy is an international energy producer focused in three core areas: North America, Europe, and Australia. Vermilion is the only one of its Canadian peers with international exposure and its diversification has been a key factor in its success.

Vermilion's shareholders benefit from its global exposure through stronger pricing, more stable cash flows, project investment diversification and a greater selection of business development opportunities.

The Calgary-based company self-funded, growth-and-income model seeks to create value for its shareholders while minimizing risk. Since the introduction of its [dividend](#) in 2003, Vermilion has increased it four times and has never cut it.

Vermilion currently has a dividend yield of almost 13%, which is very high. It pays a monthly dividend of \$0.23 per share.

While revenue is expected to decline by 4.2% to \$1.6 billion in fiscal 2020, EPS is estimated to grow by 54% to \$0.43 per share.

Currently trading around \$21 per share at writing, Vermilion's shares are far from its 52-week high of \$36.83. With a P/E of only 9.3, the stock is cheap.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. NYSE:VET (Vermilion Energy)
2. TSX:CHE.UN (Chemtrade Logistics Income Fund)
3. TSX:VET (Vermilion Energy Inc.)

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