



Canada Revenue Agency: How to Earn Huge Monthly Income in Your TFSA in 2020

Description

In the final months of 2019, I'd discussed strategies and key [mistakes](#) that investors may make when it comes to their Tax-Free Savings Accounts (TFSAs). This year, the annual contribution for the TFSA moved up another \$6,000. The cumulative contribution room for a TFSA has moved up to \$69,500.

Not only is this an attractive starting point for a growth-oriented portfolio, but it is a great amount of room for investors who are looking to churn out tax-free income. A great way to remove the headache that comes with tax season is to marvel at all the tax-free gains you have accumulated over the course of a year. Today, I want to look at how investors can generate big returns through some of the top dividend stocks on the TSX.

Three monthly dividend stocks to own in your TFSA this year

Inter Pipeline (TSX:IPL) is a Calgary-based natural gas company. Energy has proven volatile in recent years, but Inter Pipeline is one stock that has managed to weather the storm and provide a nice bit of income for its shareholders. Shares of Inter Pipeline have climbed 13.6% year over year as of close on January 27.

Investors can expect to see its fourth-quarter and full-year results sometime in February. In the third quarter, Inter Pipeline reported a solid quarterly payout ratio of 87%. It boasts one of the more attractive dividends in its sector and offers a monthly payout.

The stock last paid out a monthly dividend of \$0.1425 per share. This represents a 7.7% yield. The company has achieved dividend growth for 10 consecutive years. A purchase of 500 shares of Inter Pipeline stock, which closed at \$22.16 per share on January 27, would net investors over \$70 a month in their TFSA.

TransAlta Renewables ([TSX:RNW](#)) is an exciting stock, as the green energy revolution promises to ramp up in this new decade. Shares of TransAlta have surged 49% year over year at the time of this

writing. It is still a young stock on the TSX, but its combination of growth and income have been electric for shareholders in recent years.

This company's fourth quarter release is also slated to come out in February. Comparable EBITDA rose to \$313 million in the year-to-date period for TransAlta at the end of Q3 2019. It is moving into this year with an excellent balance sheet, which should be music to the ears of income investors.

The stock last paid out a monthly dividend of \$0.07833 per share, which represents a 5.7% yield. TransAlta has achieved six straight years of dividend increases. A purchase of 1,000 shares of TransAlta stock would net investors over \$75 in tax-free income in their TFSA.

H&R REIT ([TSX:HR.UN](#)) is a Toronto-based real estate investment trust that specializes in commercial real estate. Shares in H&R REIT have climbed 3.5% in 2020 as of close on January 27. Back in late November, I'd suggested that H&R REIT offered nice value after a [post-earnings dip](#).

The REIT is expected to report its Q4 and full-year results in February. So far in 2019, H&R REIT has reported same-asset property operating income of \$122.9 million — up 2% from the prior year. Funds from operations (FFO) per unit have marginally increased by 0.8% to \$1.31.

Real estate, like utilities and telecom, has been a reliable source of income in this low interest rate environment. With the global economy still battling trouble over trade and slowing growth, investors should expect central banks to be dovish in the near term. H&R REIT last paid out a monthly dividend of \$0.115 per share. This represents a strong 6.3% yield. A purchase of 800 shares of H&R REIT stock would net investors over \$90 a month in their TFSA.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:HR.UN (H&R Real Estate Investment Trust)
2. TSX:RNW (TransAlta Renewables)

PARTNER-FEEDS

1. Business Insider
2. Msn
3. Newscred
4. Sharewise
5. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/09/10

Date Created

2020/01/28
Author
aocallaghan

default watermark

default watermark