



TFSA Investors: How to Earn \$300 Per Month and Pay No Tax to CRA

Description

Right now is a perfect time for Canadian investors to begin maximizing the benefits of a Tax-Free Savings Account (TFSA). Perhaps, during the COVID-19 crisis, you have wondered how you could make your savings work for you. Or maybe you wondered how to build an income stream that supplements (or surpasses) your employment income.

Build your dream income stream in your TFSA

Well, fortunately, today you can begin building your dream income stream. The TSX market crash in March has created some incredible opportunities to buy high-quality stocks that trade with [higher-than-average yields](#).

By owning income stocks within your TFSA, you can earn monthly income and pay no tax to the Canadian Revenue Agency (CRA). In fact, if you were 18 years or older in 2009, you can contribute a cumulative total of \$69,500 into your TFSA and start earning investment income 100% tax-free!

Here are six top TSX stocks that are perfect for your TFSA. Invest \$10,000 into each, and you could earn, averaged across the year, \$300 per month (not all distributions are paid on a monthly basis; some have quarterly payments)!

Trust in Canadian staple stocks for income

BCE [just monetized some of its data centres](#) and fetched a pretty nice premium. BCE infrastructure assets (cell towers, cellular spectrum, wireline assets) have significant hidden value, which it may begin to monetize now. While growth is probably limited to around 5-7% per year, the business is well capitalized and very stable. Buy 170 shares today and earn \$577 per year in dividends.

Another staple Canadian stock for your TFSA is **TD Bank**. It is one of Canada's largest, best-capitalized, and most diversified banks. If any Canadian bank should survive through the COVID-19 crisis, it is TD. The stock is cheap at only 1.24 times price to book and 10 times price to earnings

(compared to 12 times last year). Put \$10,000 into TD and earn \$506 per year in dividends.

High-yielding REITs are perfect for your TFSA

REITs do not qualify for the dividend tax credit, so they are good candidates for your TFSA portfolio. **WPT Industrial REIT** owns a high-quality logistics and industrial property portfolio in the United States. The stock is going to benefit for a very long time from e-commerce growth in the United States. Buy 830 shares and earn \$52.40 every month. This stock is very undervalued, so there is good opportunity for upside from here.

Northwest Healthcare Properties REIT is beginning to show a nice recovery. It has a diversified, high-quality portfolio of private hospitals and healthcare facilities across the world. The company pays a 7.58% yield that is covered by monthly cash flows. Buy 920 shares in your TFSA, lock in that hefty yield, and earn \$63.17 per month.

Increase your income from stable energy stocks

Pembina Pipeline operates pipeline and midstream assets. It is essentially a toll road for the Canadian oil industry. 90-95% of its cash flow is contracted and its payout is well covered. As long as oil consistently stays above \$30, the quality of its contracts should be safe. If oil normalizes to \$40-\$50, this stock will likely have some upside. Buy \$10,000 in your TFSA today and earn \$58.75 per month.

The last stock for your TFSA is **Brookfield Renewable Partners**. It owns renewable power assets across the world. As ESG/renewable investing grows, demand for this stock could rise. It targets 12-15% total annual returns, which will translate into long-term distribution growth and capital gains. Being a partnership, it doesn't qualify for the dividend tax credit, so it is a perfect TFSA stock. Gather \$456 in annual total distributions by owning 151 shares of this high-quality stock.

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