



RRSP Investors: Here Are the Best Dividend Stocks to Own in 2021

Description

We have entered a new year after a historic 2020. That means there are some key dates for Canadian investors to circle on their calendars. Registered Retirement Savings Plan (RRSP) investors should be up to date on some key changes and the final contribution date for the previous tax year. While that is important, today I will focus more on three dividend stocks that are on my radar for a retirement portfolio. Let's jump in.

How the game has changed for RRSP investors in 2021

In late 2020, the Canada Revenue Agency announced that the RRSP dollar limit would rise to \$27,830 in 2021. That is up from \$27,230 in the prior year. RRSP investors should focus on how they can maneuver with a little extra room in the new year.

As usual, Canadians also need to be aware of the RRSP contribution deadline. That lands on March 1, 2021. Canadians will have until that date to make an official 2020 contribution to their RRSP. Those hungry for a tax break in the coming tax year should be putting money aside to make the move before March.

Top dividend stocks for your retirement portfolio

In the fall of 2019, I'd warned that many Canadians are going forward under the assumption that they will be able to [work indefinitely](#) into their old age. The COVID-19 pandemic has forced many working Canadians into an uncertain situation. This volatile period should be a reminder of how important it is for every Canadian to build a [retirement nest egg](#). There is no telling what the future holds.

Great-West Lifeco ([TSX:GWO](#)) is the first dividend stock I'd recommend for RRSP investors. The company is engaged in life and health insurance, retirement and investment services, as well as asset management and reinsurance businesses in North America. Its shares have dropped 4.9% year over year as of close on January 4.

In Q3 2020, Great-West saw total base earnings rise marginally to \$679 million — up \$2 million from the prior year. Net earnings climbed to \$826 million, which was up from \$730 million in Q3 2019. Shares of this dividend stock last possessed a favourable price-to-earnings ratio of 10 and a price-to-book value of 1.3.

Better yet, RRSP investors can gobble up Great-West's quarterly dividend of \$0.438 per share. That represents a strong 5.8% yield.

Canada housing is rocking: RRSP investors should grab these dividend stocks

The Canada housing market has continued to thrive in the face of the COVID-19 pandemic. **Canadian Imperial Bank of Commerce** ([TSX:CM](#))([NYSE:CM](#)) is the fifth-largest of the Big Six Canadian banks. It was forced to divert resources in a tumultuous 2020, but it still has its sights on bolstering its once formidable mortgage portfolio. Shares of CIBC have climbed 9.8% over the last three months.

CIBC offers a quarterly dividend of \$1.46 per share, representing a nice 5.4% yield. That is tops among the Big Six Canadian banks. RRSP investors can feel secure in holding this dividend stock in the reliable banking space.

Genworth MI Canada is the last dividend stock I'm targeting for RRSP investors. It is the largest private residential mortgage insurer in Canada. The stock has increased 26% in a three-month span as of close on January 4. It last paid out a quarterly dividend of \$0.54 per share. That represents a solid 4.9% yield.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:CM (Canadian Imperial Bank of Commerce)
2. TSX:CM (Canadian Imperial Bank of Commerce)
3. TSX:GWO (Great-West Lifeco Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Dividend Stocks
2. Investing

Date

2025/08/27

Date Created

2021/01/05

Author

aocallaghan

default watermark

default watermark