



## CRA Cash: 1 Brilliant Way to Earn \$1,000/Month

### Description

Earning [tax-free money](#) in Canada is effortless if you have a Tax-Free Savings Account (TFSA). The TFSA has overtaken the Registered Retirement Savings Plan (RRSP) as the preeminent investment vehicle in Canada. Your earnings could be tax-free for life if you follow the rules governing the TFSA.

The Canada Revenue Agency (CRA) is hands-off regarding interest, gains, and dividends in a TFSA. You can also withdraw funds at any time without incurring penalties whatsoever. However, if you have a \$1,000 monthly tax-free income target, there's a brilliant way to do it.

### Dividend all-star

**Keyera Corp.** ([TSX:KEY](#)) is a dividend all-star because of its higher-than-average dividend yield. This energy stock pays a mouth-watering 7.61% dividend. Similarly, the payouts are monthly, which only a handful of companies practice today. The \$6,000 TFSA contribution limit in 2021 will produce \$38.05 in tax-free money per month.

However, imagine maximizing your TFSA's yearly limit by buying more Keyera shares every time. Since the CRA can't touch the income, TFSA balances accumulate faster. Assuming the yield remains constant, an investment of \$157,685 will generate \$999.99 in monthly passive income.

Keyera is a \$5.57 billion independent midstream energy company that plays a significant role in the energy sector. The company operates an integrated midstream business in Canada and provides services to customers in the Western Canada Sedimentary Basin, primarily oil and gas producers.

The 18-year-old firm also markets iso-octane, propane, butane, condensate, and crude oil to customers in the home country and across the border, in the U.S. Its natural gas liquid (NGL) and condensate network include pipelines, terminals, fractionation and storage facilities. The locations are in key NGL hubs in North America.

## Grand plans ahead

Despite the massive disruption of COVID-19 on the global economy and the energy industry in general, Keyera's Q3 2020 earnings results are respectable. Although net earnings in the nine months ended September 30, 2020, fell by 67% versus the same period in 2019, the balance sheet remains strong.

Adjusted EBITDA and distributable cash flow grew by 3% and 35% versus the 2019 figures. Other things going for Keyera includes two investment-grade ratings, a \$1.4 billion unutilized credit facility, and minimal long-term debt obligations in the next five years. Long-term contracts likewise cover the essential services.

Management will continue to fund its growth capital projects and expects to maintain the current monthly dividend per share. In 2021, the company targets a growth capital investment of about \$400 million to \$450 million. Keyera will channel the bulk of the funds toward the KAPS liquids pipeline system that should be operational in 2023.

In terms of stock market performance, the energy stock has yet to recover from the COVID-19 shocks and low-commodity prices. The current share price (\$25.23) is 22% lower than it was a year ago. Still, analysts forecast the stock to return to pre-corona level in the next 12 months.

## Achievable goal

The goal to earn \$1,000 tax-free money is easier said than done. You must have the financial discipline to save and maximize your TFSA every year if possible. The last ingredient is the choice of eligible investment. Keyera is one of the [many options available](#), although there are others in less volatile sectors.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:KEY (Keyera Corp.)

### PARTNER-FEEDS

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**Date**

2025/08/22

**Date Created**

2021/01/27

**Author**

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