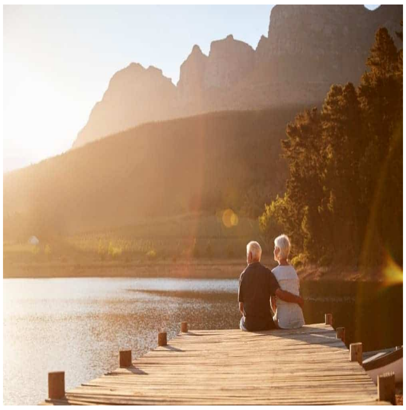

Canadian Retirees: 3 Safe Dividend Income Stocks to Buy and Hold Forever

Description

Canadian retirees are entitled to several government benefits to help them secure retirement income. However, the retirement programs like the Old Age Security (OAS) and Canada Pension Plan (CPP) have been designed to partially replace your pre-retirement income. Depending on the kind of lifestyle you see yourself living in your golden years, it might be necessary to have a significant nest egg and passive income to supplement your retirement income.

A Tax-Free Savings Account (TFSA) portfolio that consists of high-quality dividend stocks could be an excellent way to create a tax-free passive-income stream to achieve this purpose. I will discuss three such stocks that you can consider for your TFSA dividend income portfolio.

Fortis

Fortis (TSX:FTS)(NYSE:FTS) is a utilities holding company that owns and operates several regulated businesses. These businesses generate reliable and predictable cash flows for the company, allowing it to raise its dividends for the last 37 years and boosting shareholder returns. The stock is trading for $56.67 per share at writing, boasting a juicy 3.56% dividend yield.

The company's management plans to raise its dividends by an average of 6% and boost its rate base at a CAGR of 6% in the next five years. The company's rate base growth and favourable rate revisions could improve its financials in the coming years, further boosting its shareholders' returns.

Canadian Utilities

Canadian Utilities (TSX:CU) is a company involved in power generation and utility distribution. It has a terrific track record of paying its investors increasing dividends for decades. The company has increased its dividends consistently for the last 49 years, giving it one of the longest dividend-growth streaks in the Canadian stock market.

The company's low-risk utility businesses generate a significant portion of its revenues, delivering reliable cash flows. The stable cash flows have allowed the company to raise its dividends for almost five decades. Trading for $35.94 per share at writing, Canadian Utilities stock boasts a juicy 4.89% dividend yield.

TC Energy

TC Energy (TSX:TRP)(NYSE:TRP) is another Canadian Dividend Aristocrat that boasts a robust dividend-growth streak. The company has been increasing its shareholder dividends for the last 21 years at an annualized growth rate of 7%. The company operates a highly regulated portfolio of energy infrastructure facilities, relying on regulated or long-term contracts to generate 95% of its revenues.

Most of its cash flows coming from regulated or long-term contracted assets means that the company can generate stable and predictable revenues. Its consistent cash flows have allowed the company's management to raise its dividends. TC Energy's management plans to invest $20 billion in the next four years to raise its rate base and boost its financials. The stock is trading for $64.16 per share at writing, boasting a juicy 5.42% dividend yield.

Foolish takeaway

A TFSA portfolio that consists of high-quality dividend stocks can add significant passive revenue to your overall retirement income without adding more taxable income, making it an ideal method to supplement your retirement income. Fortis, Canadian Utilities, and TC Energy could make excellent picks as foundations to such a portfolio.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
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2. NYSE:TRP (Tc Energy)
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