



Canadian Retirees: Stash These 2 Safe Stocks Away Forever

Description

One of the biggest concerns for would-be retirees is their cash flows and overall financial security. Many Canadian seniors hold off retiring, because they anticipate limited income streams to support them in their retirement. The uncertainties caused by the global health crisis have led to many Canadian seniors worrying about their financial security as they near retirement.

Canada offers the Canada Pension Plan (CPP) and Old Age Security (OAS) benefits to older adults as pensions to provide them with some of their retirement income. However, these foundations for retirement income are not enough to cover their entire expenses.

If you are worried about your financial position during your retirement, it would be best to act right now and create another revenue stream that can supplement your pensions. You can use a [Tax-Free Savings Account](#) (TFSA) to create a portfolio of reliable dividend-paying stocks that can supplement your pensions without adding to your tax burdens.

The key is to find reliable assets that can continue paying you [reliable dividends](#). Today, I will discuss two stocks that you can consider for this purpose.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is an excellent stock to consider if you're looking for a reliable income-generating asset that can help you create a second revenue stream in your TFSA. The company has been paying its shareholders dividends each year since 1881. The \$57.71 billion market capitalization telecom giant is one of the leading companies in the telecom space in Canada.

BCE is also a pioneering presence in Canada's telecom industry for its 5G infrastructure. Over the next two years, its management plans to invest \$1.7 billion to accelerate its rollout for 5G technology and improve its fibre and rural network connections. BCE provides an essential service to its customers. People are unlikely to discontinue their subscription to the company's service to cut costs regardless of their economic circumstances.

The company expects to make its 5G service available to 70% of Canada by year-end. BCE stock is trading for \$63.72 per share at writing, and it boasts a juicy 5.49% dividend yield that is virtually guaranteed income for owning the stock.

Bank of Montreal

Bank of Montreal ([TSX:BMO](#))([NYSE:BMO](#)) is an \$83.54 billion market capitalization banking stock. It is among the Big Six Canadian banks in terms of its market capitalization. While it does not boast the highest dividend yield on the TSX, BMO stock is the first publicly traded company in the country to share a portion of its profits with shareholders.

BMO has been paying dividends to its shareholders each since 1829 without missing a beat. In that time, the bank has gone through two world wars and multiple periods of global economic crises. In a few years, it will become the first Canadian stock to boast a two-century dividend-paying streak. Needless to say, it is one of the most reliable dividend stocks that you can add to your investment portfolio.

The stock is trading for \$129 per share at writing and boasts a 3.28% dividend yield that will continue to provide you with virtually guaranteed passive income as long as it's in your portfolio.

Foolish takeaway

Retirement planning can become overwhelming if you have to figure out how to manage with the limited pension income and make your nest egg last. Creating additional revenue streams that can continue to provide you with [substantial income](#) to supplement your pensions is possible. You need to invest in the right assets and store them in a TFSA to achieve financial security.

A portfolio of dividend-income stocks can help you fulfill that goal and simplify the retirement planning process for you. BCE stock and BMO stock are reliable dividend-paying assets with long track records that you could consider adding to your portfolio for this purpose as foundations for such a portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:BMO (Bank of Montreal)
3. TSX:BCE (BCE Inc.)
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