



## Retirees: 2 Safe Stocks to Buy for Your TFSA

### Description

Financial security during retirement is a primary concern for many older adults in Canada who are nearing retirement or right on the cusp of retirement. In light of the pandemic and its economic fallout, many Canadian seniors chose to hold off on retiring because they anticipated limited income streams to support them during their retirement.

Canadian retirees have access to pension programs like the Canada Pension Plan (CPP) and Old Age Security (OAS) benefits to provide them with some of their retirement income. However, these programs are designed to be foundations for retirement income rather than a complete replacement to cover their expenses.

If you are worried about your financial position during your retirement, you should not waste any time creating alternative revenue streams that can supplement your retirement income. You can use a [Tax-Free Savings Account](#) (TFSA) to create a portfolio of income-generating assets that can offer you the supplementary income you need to cover your expenses in retirement.

The key to making a successful passive income portfolio is finding the right high-quality dividend stocks that can help you earn substantial revenues. Today, I will discuss two stocks that you should have on your radar if you are looking for such [income-generating assets](#).

### Bank of Montreal

The **Bank of Montreal** ([TSX:BMO](#))([NYSE:BMO](#)) stock is a reliable stock in Canada's banking sector. The \$82.69 billion market capitalization financial institution is among the Big Six Canadian banks. It is not a bank that boasts the largest market capitalization among its peers. However, BMO boasts a reputation for being the first publicly-traded company in Canada to share profits with its shareholders through dividend payouts.

BMO began paying shareholder dividends in 1829, and the bank stock has paid out dividends every year since it began sharing profits with its shareholders. The bank stock is just eight years shy of being the first Canadian company with a dividend streak spanning two centuries — a remarkable feat given

that the bank has seen multiple harsh economic environments during that time.

The stock is trading for \$127.81 per share at writing and boasts a juicy 3.32% dividend yield.

## BCE

**BCE** ([TSX:BCE](#))([NYSE:BCE](#)) is another excellent stock to consider adding to your TFSA portfolio if you're looking for a safe investment that can provide you with reliable income through shareholder dividends. BCE holds a lengthy track record of paying shareholder dividends. The company began sharing profits with its shareholders in 1881 and has not missed a beat in 140 years when it comes to paying dividends.

The \$59.73 billion market capitalization telecom provider is a pioneer in Canada's 5G space. The company's management plans to invest \$1.7 billion in the next couple of years to speed up its 5G infrastructure and improve its fiber and rural network connections. In an increasingly digital world, BCE's services are integral to its customers.

It means the company can continue generating stable cash flows that can comfortably fund its shareholder dividends and capital investment plans. At writing, the stock is trading for \$65.95 per share and boasts a juicy 5.31% dividend yield.

## Foolish takeaway

TFSA investing to create a retirement income portfolio is ideal for Canadian retirees for several reasons. Any income you earn through your TFSA portfolio can supplement your income without incurring any additional taxes or increasing the chances of your moving to a higher tax bracket.

Since your investments in a TFSA are made using after-tax dollars, the Canada Revenue Agency (CRA) will not charge you any taxes on the income you earn in a TFSA. Provided you have a sizeable portfolio of dividend stocks in your TFSA, you can gradually achieve the financial freedom you deserve to live a comfortable retired life.

BMO stock and BCE stock are [ideal stock picks](#) to begin building such a portfolio.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

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

## PARTNER-FEEDS

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

#### **PP NOTIFY USER**

1. adamothonman
2. arosenberg

#### **Category**

1. Dividend Stocks
2. Energy Stocks
3. Investing

#### **Date**

2025/08/28

#### **Date Created**

2021/09/06

#### **Author**

adamothonman

default watermark

default watermark