



## Retirees: 2 Top Dividend Stocks to Buy for Passive Income

### Description

The recent pullback in the stock market saw the **S&P/TSX Composite Index** decline by 3.69% between September 3 and October 4, 2021. At writing, the benchmark index has risen by 1.82%, but the downturn has provided Canadian retirees with the opportunity to purchase some high-quality Canadian dividend stocks for a discount.

[Dividend investing](#) in a Tax-Free Savings Account (TFSA) can allow Canadian retirees to create another revenue stream that can supplement their retirement income without contributing to their taxable income.

Today, I will discuss two [top dividend stocks](#) that you can consider adding to your TFSA income portfolio to generate passive and tax-free income.

### Telus

**Telus** ([TSX:T](#))([NYSE:TU](#)) is a leading telecommunications company in Canada that provides its customers with mobile, internet, and TV services through its extensive wireline and wireless networks across the country. The pandemic saw some segments of its business take a hit while providing a boost to others. Its internet and mobile services did not take a hit, accounting for most of the company's cash flows and revenues.

The company has been expanding its 5G infrastructure and has recently invested \$1.9 billion to improve its network. Telus has also been spending money to expand its fibre-optic network, allowing the telecom provider to increase its revenue streams. Telus also boasts a reputation for being a reliable dividend-paying stock.

At writing, the stock is trading for \$27.61 per share, and it boasts a juicy 4.58% dividend yield.

### Pembina Pipeline

**Pembina Pipeline** ([TSX:PPL](#))([NYSE:PBA](#)) is a midstream operator in Canada's energy industry. The company boasts an extensive pipeline network to provide oil and gas producers with a comprehensive suite of services that include transporting oil and gas to processing facilities and logistics operations. The company also plans to move ahead with a deal that could help it buy the Trans Mountain pipeline from the government.

The company is also taking ESG initiatives and working with another Canadian energy infrastructure company to create a carbon sequestration facility. One of the most attractive aspects of owning Pembina Pipeline stock is the monthly dividend income that you stand to receive. Unlike many other publicly listed companies on the TSX, Pembina Pipeline distributes its shareholder dividends each month instead of every quarter.

At writing, the stock is trading for \$41.06, and it boasts a juicy 6.14% dividend yield.

## Foolish takeaway

Telus stock and Pembina Pipeline stock are solid [income-generating assets](#) that you can rely on for passive income. Adding the shares of these two companies to your TFSA portfolio can let you generate dividend income without incurring any income taxes, because all TFSA contributions are made using after-tax dollars.

As a Canadian retiree, making the most of your savings is crucial, since you don't have an active income source. Investing your money into dividend stocks can provide you with far better returns than fixed-income assets like bonds or GICs or interest rates through high-interest savings accounts.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### POST TAG

1. Editor's Choice

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1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:TU (TELUS)
3. TSX:PPL (Pembina Pipeline Corporation)
4. TSX:T (TELUS)

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#### **PP NOTIFY USER**

1. adamothonman
2. kduncombe

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adamothonman

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