



## TFSA Investors: 2 Top TSX Dividend Stocks for Passive Income

### Description

The Tax-Free Savings Account (TFSA) has been a blessing for Canadian investors looking to achieve a wide range of financial goals since the account's introduction in 2009. Whether you are a pensioner looking to create a passive income stream to supplement your [retirement income](#) or any other TFSA investor who wants to amass a significant amount of money for other major expenses, [TFSA investing](#) could be perfect for you.

Today, I will discuss two of the top dividend stocks that you could consider adding to your TFSA portfolio so that you can generate passive income to achieve your short- and long-term financial goals.

### Toronto-Dominion Bank

The **Toronto-Dominion Bank** ([TSX:TD](#))([NYSE:TD](#)) is the second-largest bank in Canada in terms of its market cap. The \$159.25 billion market capitalization bank stock is one of the top dividend payers trading on the **TSX**, boasting a dividend payment streak lasting over a century and a half. The bank boasts significant domestic and international operations. The company's presence in the U.S. through TD Ameritrade boasts more branches in that country than in Canada.

As with most of its peers in the banking sector, TD Bank set aside billions in provisions for credit losses to cover its losses in case of loan defaults. However, the government's efforts to mitigate a major financial crisis by pumping liquidity into the economy through relief benefits paid off massively for Canadian banks.

As the economy continues to recover, TD Bank is now sitting on a massive cash pile that it can employ to raise its shareholder dividends. Provided the government allows banks to raise dividends again, TD Bank investors could be in for a significant dividend hike. At writing, the stock is trading for \$87.38 per share and boasts a juicy 3.62% dividend yield.

### Telus

**Telus** ([TSX:T](#))([NYSE:TU](#)) is another excellent stock that you could consider adding to your portfolio to generate passive income through shareholder dividends. The \$35.66 billion market capitalization communications company is a giant in the Canadian telecommunications industry. With the ongoing revolution in communications technology through 5G slated to provide a massive boost to the industry, Telus is well-positioned to capitalize on the trend.

The company recently invested \$1.9 billion to expand its 5G infrastructure and is also spending money to expand its fiber-optic lines to reach even more customers throughout the country. The company also managed to secure more liquidity through a significant stock sale earlier this year, along with the successful initial public offering of its international business.

Telus stock can generate reliable cash flows that allow the company to comfortably fund its dividend payouts and capital programs by providing essential services to its customers.

The stock is trading for \$27.90 per share at writing and boasts a juicy 4.53% dividend yield.

## Foolish takeaway

When done right, TFSA investing can make you a far wealthier investor by providing you with [tax-free returns](#) on your investments to help you keep more of your money than with other investment vehicles. Building a portfolio of income-generating assets that can provide you with reliable dividend income can help you make the most of the tax benefits that come with the account.

Telus stock and TD Bank stock are two of the top Canadian dividend stocks you could consider investing in for this purpose.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:TD (The Toronto-Dominion Bank)
2. NYSE:TU (TELUS)
3. TSX:T (TELUS)
4. TSX:TD (The Toronto-Dominion Bank)

### PARTNER-FEEDS

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

## PP NOTIFY USER

1. adamothonman
2. arosenberg

## Category

1. Dividend Stocks
2. Investing

## Date

2025/08/25

## Date Created

2021/10/23

## Author

adamothonman

default watermark

default watermark