



Canadian Retirees: 2 Top Dividend Stocks to Buy in November

Description

[Dividend investing](#) is one of the best ways to make use of the contribution room available in your Tax-Free Savings Account (TFSA). Buying and holding reliable income-generating assets in your TFSA can help you earn passive income without incurring additional income tax.

Canadian retirees considering different methods to supplement their pension income from Old Age Security (OAS) and the Canada Pension Plan (CPP) without moving to a higher tax bracket can use dividend investing through their TFSAs to generate tax-free passive income through shareholder dividends.

Today, I will discuss two such dividend stocks that you could consider adding to your TFSA portfolio to generate tax-free returns through reliable shareholder dividends.

Bank of Nova Scotia

You cannot go wrong with any of the Canadian Big Six banks when looking for reliable dividend stocks for your portfolio. **Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) stock is the third-largest Canadian bank, boasting a \$100.43 billion market capitalization, and it looks like it is in a very good state. The banking sector made it through the pandemic in far better shape than anticipated due to the economic fallout from the global health crisis.

Scotiabank set aside a massive amount of money as provisions for credit losses to prepare for the consequences of loan defaults that never came. The bank now has significant liquidity that it can use for a wide range of purposes. One of the results could be the bank stock continuing its [dividend hikes](#), provided that Canadian banks get the go-ahead from the government.

At writing, the stock is trading for \$82.65 per share, and it boasts a juicy 4.36% dividend yield.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) is another Canadian dividend stock that could make for a good pick if you are a retiree looking for income-generating assets. The \$57.53 billion market capitalization company is a telecom giant in Canada that has been paying shareholder dividends since 1881. If you are choosing stocks for dividend history alone, it will make BCE stock an ideal pick.

The company has been busy investing in its 5G infrastructure and fibre optic lines to retain its competitive edge in the industry. Boasting an already extensive user base, solid cash flows, and several revenue streams, BCE looks well positioned to capitalize on the boost that can come with 5G becoming more mainstream in the coming years. The stock looks likely to continue paying shareholder dividends for years to come.

At writing, BCE stock is trading for \$63.52 per share, and it boasts a juicy 5.51% dividend yield.

Foolish takeaway

Canadian retirees or older Canadian adults who are nearing retirement have a wealth of options in how to use their savings to generate more money for themselves. Dividend investing through their TFSAs could be an excellent way for them to [supplement their pension income](#).

It is important to remember that the focus should be on investing in income-generating assets that can provide you with reliable shareholder dividends to continue to enjoy regular returns through your portfolio.

Scotiabank stock and BCE stock are reliable income-generating assets that you could consider buying and holding for this purpose in your TFSA.

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