



TFSA Investors: CRA to Announce New Limit for 2022 This November

Description

Will the Tax-Free Savings Account (TFSA) limit be higher in 2022? The Canada Revenue (CRA) will officially announce the new limit soon, although most users anticipate no change except for the increase in the cumulative contribution room. This year, and since 2019, the annual limit is \$6,000.

TFSA room began accumulating if you were 18 before 2009. If you have not opened an account yet, and the limit stays the same, you can contribute up to \$81,500 in 2022. The [investment account](#) is now engrained in the lives of Canadians, much like the Registered Retirement Savings Plan (RRSP).

Those with unused contributions should welcome the announcement, because the available room will be higher, including the carryover amount from 2021. Most Canadians with [long-term financial goals](#) max out their TFSAs every year to take advantage of the tax-free money growth.

Preferred investments in a TFSA

The vast majority of TFSA investors prefer to hold dividend stocks because of higher potential returns. Moreover, TFSA balances grow faster when you reinvest dividends. **Keyera** ([TSX:KEY](#)) and **Alaris Equity Partners** ([TSX:AD.UN](#)) are two attractive income stocks.

Their average dividend yield is 6.665%, which means a combined investment of \$6,000 (TFSA annual limit) can produce \$399.90 in tax-free income. The CRA will not charge you tax when you withdraw your earnings. If we assume further that your available room is \$81,500 (maximum cumulative room), the annual dividend would be \$5,431.98.

Dividend Aristocrat status

Keyera is a component member of the TSX Canadian Dividend Aristocrat Index. Apart from its high yield (6.27%), this energy stock is one of the select few that pay monthly dividends. The \$6.72 billion independent midstream company processes and transports clean-burning natural gas.

Some market analysts even think Keyera is a consolidation target following **Brookfield Infrastructure Partners's** completed acquisition of Inter Pipeline. The company is well managed, and rising natural gas prices are very positive moving forward.

In the nine months ended September 30, 2021, Keyera reported \$234.22 million in net earnings, a 71.2% increase versus the same period in 2020. The financial performance reflects in the stock's 42.14% year-to-date gain. The current share price of \$30.43 is a good entry point.

Unique investment structure

Alaris has yet to earn a [Dividend Aristocrat](#) status, but it's hard for TFSA users to ignore this dividend stock. The \$893.4 million private equity firm pays a juicy 7.06% dividend. Any investment amount will double in 10.19 years. Likewise, the stock is a steady performer, given its 39.23%. Thus, you get value for money and more at \$18.71 per share.

The business structure is unique in that Alaris provides capital to profitable lower middle market companies in North America. Apart from proven management teams, the business's historical free cash flows are \$3 million or more. Most of the clients are asset-light, and none of have high risk of obsolescence.

Alaris is doing well, as evidenced by the financial results after three quarters this year. In the nine months ended September 30, 2021. Total revenue grew 41.8% year over year. Net earnings were \$136.47 million versus the \$3 million net loss in the same period last year.

Highly anticipated announcement

The CRA will gift TFSA users this holiday season with an additional contribution limit for 2022. Its formal announcement will come in a couple of days.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

TICKERS GLOBAL

1. TSX:AD.UN (Alaris Equity Partners Income Trust)
2. TSX:KEY (Keyera Corp.)

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