



## New TFSA Limit: 2 Top Dividend Stocks to Stash in Your TFSA for 2022

### Description

The Tax-Free Savings Account (TFSA) has become an increasingly popular account type among young and old Canadians for various financial goals. [TFSA investing](#) is an excellent way to use the contribution room in the tax-advantaged account to unlock the potential for significant long-term wealth growth.

The start of 2022 has come with an important update for TFSA investors who have been rearing to make use of additional contribution room in their accounts. The 2022 update saw the TFSA contribution room increase by \$6,000. It means that from when the TFSA was first introduced, the cumulative [contribution room in TFSAs has increased](#) to \$81,500.

If you are a stock market investor with plenty of contribution room to spare, that's a significant opportunity to generate tax-free wealth growth through interest, shareholder dividends, and capital gains.

Today, I will discuss two top dividend stocks that you can stash in your TFSA to enjoy substantial shareholder returns through reliable dividend payouts and capital gains.

### Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is one of the best stocks to consider if you are looking for reliable buy-and-hold assets for your TFSA portfolio. It is a \$28.86 billion market capitalization utility holding company that owns and operates 10 utility businesses across Canada, the U.S., and the Caribbean. Fortis provides natural gas and electricity to around 3.4 million customers.

The company generates almost its entire revenue through highly rate-regulated and long-term contracted assets. It means that business is safe for the company, and it generates predictable cash flows. The company's management can use its stable cash flows to fund its capital programs and its increasing shareholder dividends comfortably.

At writing, Fortis stock is trading for \$61.03 per share, and it boasts a juicy 3.51% dividend yield that

you could lock into your portfolio today.

## Enbridge

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is a giant in the energy infrastructure industry throughout North America. It is a \$100.10 billion market capitalization multinational pipeline company headquartered in Calgary. The company is responsible for transporting a fifth of all the natural gas used in the U.S. and a quarter of all the oil produced in Canada and the U.S.

The company has been a reliable dividend stock for several years, and it looks well positioned to continue delivering payouts to its shareholders in the future. The company is shifting its focus on ramping up its natural gas transmission, storage, and distribution business.

It is also gearing up for a greener future for the energy industry by investing heavily in its renewable energy division. After the 3% hike to its shareholder dividends in 2022, the Canadian Dividend Aristocrat has extended its dividend growth streak to 27 years.

At writing, Enbridge stock is trading for \$49.41 per share, and it boasts a juicy 6.96% dividend yield that you could lock into your TFSA portfolio today.

## Foolish takeaway

All investors can benefit from TFSA investing. Canadian retirees collecting taxable pension income can benefit the most from a portfolio of income-generating assets held in their TFSAs.

Earning a lot of taxable income in retirement through various pension programs could easily push [Canadian retirees](#) into a higher tax bracket. Any income you earn through your investments held in a TFSA does not contribute to your net world income that the Canada Revenue Agency (CRA) uses to determine the Old Age Security (OAS) pension recovery tax.

Buying and holding a portfolio of reliable dividend stocks in your TFSA can help you generate more passive income without moving to a higher tax bracket in retirement.

Fortis stock and Enbridge stock could be ideal assets for this purpose.

### CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:FTS (Fortis Inc.)
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