



Passive Income: How to Earn \$110/Week Tax Free in Your Sleep

Description

The **S&P/TSX Composite Index** dropped 12 points on January 10. Still, Canadian and North American stocks have broadly started hot in 2022 after a jittery conclusion to the previous year. There is some investor anxiety around the lingering COVID-19 pandemic and the prospect of rate hikes. Today, I want to discuss how Canadians can churn out passive income in their TFSA. Best of all, they can set up these dividend stocks and soak up income in their sleep.

In this hypothetical, we'll use nearly all the \$81,500 in cumulative TFSA room we have available. That is, assuming you were eligible to contribute from the account's inception in January 2009. Let's look at three [dividend stocks](#) that will allow us to gobble up \$100/week in tax-free passive income.

Here's a dividend stock that is geared up for future growth

Sienna Senior Living ([TSX:SIA](#)) is a Markham-based company that provides senior living and long-term-care (LTC) services. Canadian investors should be eager to get in on companies that are [geared up for big growth](#) due to aging demographics. Shares of this dividend stock have climbed 13% year over year as of close on January 10.

The stock most recently closed at \$14.91 per share. In our hypothetical, we're going to snag 1,810 shares of Sienna stock with a purchase price of \$26,987.10. This dividend stock offers a monthly dividend of \$0.078 per share. That represents a very strong 6.2% yield. In this hypothetical, investors can churn out \$141.18 in monthly [tax-free passive income](#). On a weekly basis, that works out to \$32.58.

This fund can churn out appealing passive income in your TFSA

Keg Royalties Fund ([TSX:KEG.UN](#)) is a Vancouver-based, open-ended limited purpose trust that generates revenue through The Keg restaurant chains. This dividend stock has climbed 23% in the year-over-year period. In Q3 2021, the Royalty Pool increased 43% to \$152 million. Meanwhile, distributable cash rose 82% to \$0.157/fund unit. That is good news for its continued ability to generate passive income going forward.

This dividend stock closed at \$14.87 on January 10. We can snag 1,830 shares of Keg Royalties worth \$27,212.10. Keg Royalties last paid out a monthly distribution of \$0.095 per share. That represents a monster 7.6% yield. Those 1,830 shares will generate \$173.85 in monthly passive income. Moreover, it works out to a weekly payment of \$40.11.

One more dividend stock that will help build your passive-income empire

Timbercreek Financial ([TSX:TF](#)) is a Toronto-based company that provides shorter-duration financing solutions to commercial real estate investors in Canada. This dividend stock has increased 10% from the previous year. Its shares last had a favourable price-to-earnings ratio of 20.

Shares of this dividend stock closed at \$9.59 per share on January 10. We can purchase 2,820 shares for a purchase price of \$27,043.80. Timbercreek offers a monthly dividend of \$0.058 per share, which represents a 7.1% yield. Those shares will allow us to generate \$163.56 in monthly passive income in our TFSA. That works out to a weekly payment of \$37.74.

Bottom line

These combined dividend stock investments will allow investors to churn out \$110.43/week in passive income tax free. That is a great rate to go forward with in an uncertain environment.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:KEG.UN (Keg Royalties Income Fund)
2. TSX:SIA (Sienna Senior Living Inc.)
3. TSX:TF (Timbercreek Financial Corporation)

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Author

aocallaghan

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