



RRSP Investors: Add These 3 Top Dividend Stocks to Your Retirement Portfolio

Description

The RRSP, or [Registered Retirement Savings Plan](#), was introduced back in 1957. This registered account aims to encourage savings among Canadians and helps to lower your tax liability considerably. Any contribution made towards your RRSP is exempt from taxes until its withdrawn, making it a tax-advantaged account.

You can contribute up to 18% of your gross income for the particular amount with a maximum contribution limit of \$29,210 for 2022. So, if you'd earned \$75,000 in 2021, you can contribute up to \$13,500 towards your RRSP, which lowers your taxable income to \$61,500. However, the maximum amount you can contribute towards your RRSP is \$29,210.

Given that you are not allowed to access these funds until retirement, you need to ensure that RRSP investments are geared towards inflation-beating instruments such as equities. Here, we'll look at three dividend-paying stocks that should be part of your RRSP portfolio right now.

Fortis

A utility company that is largely recession-proof, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) offers investors a dividend yield of 3.64%. Fortis deployed \$2.6 billion towards capital expenditures in the first nine months of 2021, and this figure will touch \$3.8 billion in 2021. It raised dividends by 6% in Q3, which is the 48th consecutive year of dividend increases.

Fortis now aims to invest \$20 billion between 2022 and 2026, which will allow the company to expand its base of cash-generating assets and support dividend growth in the future as well. Its balanced, low-risk plan should increase its annual rate base growth by 6%.

After adjusting for dividends Fortis stock has returned 161% to investors in the past decade. Comparatively, the **TSX** is up 149% since January 2012.

Brookfield Renewable Partners

One of the top-performing stocks trading on the TSX is **Brookfield Renewable Partners** ([TSX:BEP.UN](#))([NYSE:BEP](#)). It has gained a stellar 454% in the last 10 years, and BEP stock is also down 30% from all-time highs, allowing you to buy the dip.

BEP stock offers investors a forward yield of 3.7% and is one of the largest renewable energy companies in the world with operations in North America, Asia, Latin America, and Europe. The majority of its cash flows are backed by long-term contracts, allowing the company to maintain dividends across business cycles.

BEP ended the September quarter with a [power portfolio](#) of 21 GW (gigawatts). Further, it has a pipeline to increase capacity by an additional 36 GW. We can see why the company is optimistic about increasing dividend distributions between 5% and 9% in the upcoming years.

Royal Bank of Canada

The final dividend stock on my list is **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)), a company that provides you with a forward yield of 3.3%. RBC is Canada's second-largest company in terms of market cap and has created solid wealth for long-term investors.

In [fiscal 2021](#), RBC reported a record revenue of \$50 billion and earnings of \$16 billion. It paid investors \$6 billion in dividends and generated an ROE of 19%. The banking giant also raised dividends by 12% and disclosed plans to repurchase 45 million shares.

In the last year, Royal Bank of Canada added \$35 billion in mortgages and \$22 billion in personal deposits, allowing it to increase market share in both these verticals.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BEP (Brookfield Renewable Partners L.P.)
2. NYSE:FTS (Fortis Inc.)
3. NYSE:RY (Royal Bank of Canada)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:FTS (Fortis Inc.)
6. TSX:RY (Royal Bank of Canada)

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