



## Retirees: 2 Top Dividend Stocks to Buy Now for Reliable TFSA Passive Income

### Description

The recent market volatility has Canadian retirees searching for quality dividend stocks to add to their [TFSA](#) portfolios focused on passive income.

### Bank of Nova Scotia

**Bank of Nova Scotia** ([TSX:BNS](#))([NYSE:BNS](#)) is Canada third-largest bank with a [market capitalization](#) of \$110 billion. The company is unique among its peers in that it has a large international business focused on the Pacific Alliance trade bloc countries, specifically Mexico, Peru, Chile, and Colombia.

The pandemic hit Latin America hard, but Bank of Nova Scotia's international operations are rebounding, and that trend should continue this year. The bank's Canadian business performed well in 2021, and the expected string of interest rate hikes this year should help boost net interest margins for the bank. At the same time, loan growth should be strong, as the economy extends its recovery.

Bank of Nova Scotia trades at a reasonable 11.8 times trailing 12-month earnings. The bank finished fiscal 2021 with excess cash it built up to ride out the pandemic. The board announced a dividend increase of 11%, and Bank of Nova Scotia is buying back stock. The company might also use the cash hoard to make strategic acquisitions.

Investors could see another large dividend increase before the end of this year. At the time of writing, the stock provides a 4.4% dividend yield.

### Fortis

**Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a utility company based in Newfoundland with \$57 billion in assets located across Canada, the United States, and the Caribbean.

The stock has been a great investment for income investors for decades. Fortis increased the dividend in each of the past 48 years and expects to continue the streak. In fact, management is providing

average annual dividend-growth guidance of 6% through at least 2025. A \$20 billion capital program is in place that will drive rate-base growth of more than 30% over that timeframe.

Fortis has additional projects under consideration that could be added to the development plan and boost the size of the dividend hikes. The company also has a good track record of making strategic acquisitions. Fortis hasn't done a deal for several years, so another purchase wouldn't be a surprise.

Nearly all of the revenue comes from regulated assets. This means cash flow tends to be predictable and reliable. The assets include power-generation facilities, electric transmission networks, and natural gas distribution businesses. Homeowners and companies need to turn on the lights and keep the buildings warm in all economic conditions, so Fortis should be a solid defensive stock to buy for TFSA investors.

The stock price is actually down a bit from the 12-month high, so investors now have a chance to buy on a nice dip. At the time of writing, Fortis stock provides a yield of 3.65%.

## The bottom line on top dividend stocks for TFSA passive income

Bank of Nova Scotia and Fortis look attractive at their current share prices and pay reliable dividends that should continue to grow for years. If you have some cash to put to work inside a TFSA dedicated to generating passive income, these stocks deserve to be on your radar.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:BNS (The Bank of Nova Scotia)
2. NYSE:FTS (Fortis Inc.)
3. TSX:BNS (Bank Of Nova Scotia)
4. TSX:FTS (Fortis Inc.)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

### PP NOTIFY USER

1. aswalker
2. kduncombe

**Category**

1. Dividend Stocks
2. Investing

**Date**

2025/07/23

**Date Created**

2022/01/26

**Author**

aswalker

default watermark

default watermark