



Retirees: 3 Top TSX Stocks for Tax-Free Passive Income

Description

Canadian pensioners are searching for top dividend stocks to put in their [TFSA](#) to generate reliable tax-free passive income.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) is a major player in the Canadian communications [sector](#). The company provides world-class mobile, internet, and TV services to customers across its vast wireless and wireline networks.

Telus ramped up investment in upgrades in the past few years, including a program to switch legacy copper lines to fibre and the building of its [5G](#) network. Management says the heavy lifting on the capital programs should be complete by the end of 2023. This means investors should see more free cash flow available for distribution increases over the medium term.

Telus has a great track record of dividend growth. The board raised the payout by 5.1% late last year. Investors who buy the stock at the current price of \$32 per share can pick up a solid 4% dividend yield.

Telus has subsidiaries that could grow to be significant contributors to revenue and cash flow. Telus Health is a leader in providing Canadian doctors, hospitals, and insurance companies with digital healthcare solutions. Telus Agriculture is using its expertise to help farmers across the country improve the efficiency of their businesses.

Telus is also expanding its security offerings to existing residential and business clients. This provides additional revenue opportunities that can be bundled with existing services.

Telus is a good defensive stock to own in a TFSA if you are concerned about global geopolitical risks to the financial market. The company primarily operates in Canada and provides essential services.

Pembina Pipeline

Pembina Pipeline ([TSX:PPL](#))([NYSE:PBA](#)) is an energy infrastructure firm focused on the midstream segment of the oil and gas industry. The company is a full-service provider with gas gathering and processing assets, logistics operations, pipelines, and export terminals. The rebound in the oil and gas markets looks set to continue for some time. As energy companies ramp up output to meet the strong demand, Pembina Pipeline should benefit.

The company grows through strategic acquisitions, internal projects, and has more recently entered partnerships to evaluate opportunities for liquified natural gas (LNG) exports and carbon sequestration.

Pembina Pipeline trades near \$47 per share at the time of writing. That's about triple what savvy investors paid when the market crashed in 2020 but the stock still appears attractive when the growth opportunities are taken into consideration. Even with the big rally off the pandemic lows PPL stock still offers a juicy 5.35% yield today.

Emera

Emera ([TSX:EMA](#)) is a utility company based in Halifax with assets located in Canada, the United States, and the Caribbean. The utility operator provides electric and natural gas distribution services to homes and businesses. The majority of the revenue comes from regulated assets, meaning cash flow tends to be predictable and reliable. That's important for retirees who need stable dividend payouts from their investments.

Emera is working on more than \$7 billion in capital projects that should boost the rate base enough to support annual dividend increases of 4-5% in the next few years. This is another good defensive stock to own in a TFSA portfolio focused on passive income.

Emera trades near \$60 per share at the time of writing and provides a 4.4% dividend yield.

The bottom line

Telus, Pembina Pipeline, and Emera are all top dividend stocks that offer attractive yields for investors seeking reliable passive income. If you have some cash to put to work in a TFSA, these stocks deserve to be on your radar.

CATEGORY

1. Investing

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1. NYSE:PBA (Pembina Pipeline Corporation)
2. NYSE:TU (TELUS)
3. TSX:EMA (Emera Incorporated)
4. TSX:PPL (Pembina Pipeline Corporation)

5. TSX:T (TELUS)

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