



## 1 Top TSX Dividend Stock to Start a TFSA Retirement Nest Egg

### Description

The Canadian government introduced the Tax-Free Savings Account (TFSA) to encourage better savings practices in Canadian households. You can use the account as a regular savings account to hold cash for wealth growth through interest income. However, the account offers so much more if you make better use of the available contribution room.

[TFSA investing](#) with high-yielding, income-generating assets can be an excellent way to build a solid self-directed retirement portfolio. The TFSA is an ideal investment vehicle for Canadians who want to create a portfolio for retirement.

The account is flexible in that you can withdraw funds from your account without incurring any penalties for early withdrawals. Any amount you withdraw will be added to the contribution space for the following calendar year.

Many Canadian retirees love the tax-free earnings they can earn through TFSA investing. Retirees using their TFSAs as additional passive-income streams do not have to worry about moving to a higher tax bracket and triggering a clawback on their Old Age Security (OAS) income.

The TFSA contribution limit increased by \$6,000 in the 2022 update. The cumulative contribution room since the account's inception stands at \$81,500.

Dividend stocks are an excellent pick for investors who want to build retirement funds in their TFSAs. Today, I will discuss a [high-yielding dividend stock](#) that could be ideal to begin building such a TFSA portfolio.

## TC Energy

**TC Energy** ([TSX:TRP](#))([NYSE:TRP](#)) is a \$70.87 billion market capitalization pipeline company headquartered in Calgary. The company owns and operates one of the largest energy commodity pipeline networks in North America. The company owns and operates energy infrastructure in Canada, the U.S., and Mexico.

Its portfolio includes natural gas transmission assets, oil pipelines, and power-generation facilities. The company's natural gas network spans over 90,000 km, and it boasts extensive storage capacity.

As the world slowly shifts towards renewable energy, many investors might not consider investing in energy companies as a viable long-term investment. However, many renewable power-generating assets can be unpredictable.

Weather conditions can impact production in solar, hydroelectric, and wind-power facilities. Gas-fired power generation can produce the necessary power without environmental impact as drastic as oil and coal.

## Foolish takeaway

Many countries are shifting to natural gas power production, and the demand for this commodity is slated to grow in the coming years. TC Energy boasts a gas pipeline network that could be instrumental in fulfilling the demand for years to come.

TC Energy also boasts a \$24 billion capital program underway to boost its revenue and cash flow growth in the next few years. TC Energy stock trades for \$72.26 per share at writing, and it boasts a juicy 4.98% dividend yield. The company's board raised its dividend payout by 3.4% in 2022, and it is likely to deliver further dividend hikes in the next few years.

Buying and holding shares of TC Energy stock in your TFSA can help you generate significant and tax-free long-term wealth growth through its reliable [shareholder dividends](#).

## CATEGORY

1. Dividend Stocks
2. Investing

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