



Retirees: 2 Top TSX Dividend Stocks to Buy for TFSA Passive Income

Description

Canadian pensioners and other income investors are searching for quality [dividend stocks](#) to put in their self-directed TFSA to generate steady tax-free earnings.

TC Energy

TC Energy ([TSX:TRP](#))([NYSE:TRP](#)) operates more than 93,000 km of natural gas pipelines in Canada, the United States, and Mexico. The energy infrastructure giant also has natural gas storage sites, oil pipelines, and power-generation assets.

The natural gas transmission network has a bright future as power utilities around the world switch to the fuel from oil and coal. Natural gas releases much less carbon dioxide into the atmosphere when burned compared to the other fuels. Canada and the United States use natural gas extensively for heating both homes and commercial buildings. The fuel is abundant in the two countries and relatively cheap to produce.

Demand for liquified natural gas (LNG) is rising and North American producers are looking to supply customers in Asia and Europe. The war in Ukraine has highlighted the risks Europe faces in relying on Russian natural gas. Europe is now looking to the U.S. as a long-term supplier of natural gas and TC Energy has the infrastructure in place or under construction to move the gas from producers to the LNG facilities.

TC Energy reported solid Q1 2022 results. Comparable earnings were in line with the same period last year and should grow at a steady pace, as TC Energy puts new assets into service.

The company has a \$25 billion capital program on the go with \$7 billion expected to see completion in 2022. The steady project portfolio should drive cash flow growth and support annual dividend increases in the 3-5% range. Investors have received a dividend hike annually for more than two decades.

TC Energy current pays a quarterly dividend of \$0.90 per share. That's good for an annualized yield of

5% at the time of writing.

BCE

BCE ([TSX:BCE](#))([NYSE:BCE](#)) has been a top pick among retirees for decades. The communications giant pays a reliable dividend that grows at a steady pace. Investors don't have to watch the share price every week. BCE provides essential services that people and businesses need regardless of the state of the economy. The company has the power to raise prices when it needs extra cash and enjoys a wide competitive moat.

BCE invests the funds required to ensure its customers have the broadband services they need for work and entertainment. The company expects to connect 900,000 more clients with fibre optic lines this year and is expanding the rollout of its [5G](#) network.

BCE raised the dividend by at least 5% in each of the past 14 years. The stock is down a bit from the 2022 high, giving retirees a chance to buy BCE on a dip and pick up a 5.4% dividend yield.

The bottom line on top stocks for TFSA passive income

TC Energy and BCE are leaders in their respective industries and have strong track records of dividend growth that should continue for years. If you have some cash to put to work in a self-directed TFSA focused on passive income, these stocks deserve to be on your radar.

CATEGORY

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