



TFSA Passive Income: 2 Top TSX Dividend Stocks for New Retirees

Description

Canadian pensioners rely on passive income from their savings to top up CPP, OAS, and company pension payments. The [TFSA](#) is a great option for retirees to generate tax-free dividend income that won't put the OAS pension at risk of a clawback.

BCE

Retirees have relied on BCE's generous dividend for decades, and there is no reason that trend should change. Canada's largest communications company has a great track record of boosting the payout supported by rising free cash flow.

BCE is making the investments needed to keep its wireline and wireless networks up to date. The company expects to directly connect another 900,000 buildings with fibre optic lines this year and is expanding the [5G](#) network after spending \$2 billion on new 3,500 MHz spectrum last year.

BCE has a strong balance sheet and can raise prices on its services when costs increase. This is important for investors to consider in the current era of high inflation.

BCE stock looks undervalued right now near \$63 per share. The stock traded as high as \$74 a few months ago. At the time of writing, the stock provides a 5.8% dividend yield.

Enbridge

Enbridge ([TSX:ENB](#))([NYSE:ENB](#)) is a giant in the North American energy infrastructure industry. The company transports 30% of the oil produced in the U.S. and Canada and moves 20% of the natural gas used in the United States. These pipeline systems make Enbridge strategically important for the economies of the two countries.

Enbridge also has natural gas storage facilities and natural gas distribution utilities that provide millions of Canadian homes and businesses with the fuel they need to heat their buildings during the winter.

Finally, Enbridge's growing renewable energy group is home to solar, wind, and geothermal facilities.

Looking ahead, the company sees opportunity in exports of oil and liquified natural gas (LNG). Enbridge bought an oil export terminal for US\$3 billion late last year. The facility loaded 20% of the export volumes on the U.S. Gulf Coast in the first quarter of 2022.

Enbridge is also building two new pipelines to supply natural gas to LNG facilities in Louisiana. Another \$2.5 billion expansion project is under consideration in British Columbia that would connect Canadian natural gas producers to future LNG sites on the coast of the province.

In Alberta, Enbridge is making progress on a new carbon-capture hub that will help power producers, cement makers, and other high emitters meet net-zero emission goals through the sequestration of carbon dioxide.

Enbridge expects distributable free cash flow to grow by 5-7% annually through 2024. This should support steady dividend increases. The board raised the payout by 3% for 2022 and has given shareholders a raise for 27 consecutive years.

ENB stock is down a few dollars from the 2022 high, giving investors a chance to buy the dip and pick up a solid 6.2% dividend yield.

The bottom line on top stocks for retirement passive income

BCE and Enbridge are industry leaders paying attractive dividends that continue to grow. The stocks offer above-average yields for investors focused on passive income and should be reliable anchor picks for a self-directed TFSA retirement fund.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:ENB (Enbridge Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:ENB (Enbridge 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

2025/08/23

Date Created

2022/07/21

Author

aswalker

default watermark

default watermark