



Want Safe Passive Income in TFSA? 3 Dividend Stocks to Buy and Hold Forever

Description

Despite the uncertainty, Canadian investors can generate safe passive income in their TFSA (Tax-Free Savings Account) through stocks. Thankfully, several TSX stocks continue to pay and grow their dividends regardless of the economic situation. This shows their resiliency and ability to enhance shareholders' returns despite challenges.

So, if you plan to invest in safe stocks that could fetch tax-free passive income, consider investing in these TSX stocks now.

Fortis

With a dividend-growth history of 48 years, **Fortis** ([TSX:FTS](#))([NYSE:FTS](#)) is a [safe stock](#) to add to your TFSA portfolio for a reliable passive income. While its dividend payment history is attractive, its low-risk regulated utility businesses and predictable cash flows indicate that Fortis could continue to grow its dividend in the coming years.

Fortis's 10 regulated utility businesses account for 99% of its earnings. This implies that its payouts are safe, and its dividend could continue to grow. Fortis sees its dividend growing at an annualized rate of 6% through 2025. Further, it expects its rate base (assets on which these utility companies earn a specified return) to grow by 6% annually through 2026.

Fortis's growing rate base led by its \$20 billion capital plan, increase in renewable power generation, and replacement of aging assets bode well for growth. Fortis stock offers a dividend yield of 3.5%, and an investment of \$81,500 (cumulative dollar investment limit in a TFSA) would fetch a safe passive income of approximately \$238 per month.

Enbridge

The resiliency of **Enbridge's** ([TSX:ENB](#))([NYSE:ENB](#)) payouts is reflected through its stellar dividend payment and growth history. It has paid a dividend for 67 years and increased it at an annualized rate

of 10% in the last 27 years.

Its diverse cash streams (Enbridge has about 40 cash flow streams), contractual arrangements to lower price and volume risks, and a solid mix of renewable and conventional energy assets position it well to benefit from the string energy demand. Also, about 80% of Enbridge's EBITDA (earnings before interest, taxes, depreciation, and amortization) is protected against inflation, which is positive.

Its multi-billion capital program, benefits from the new assets placed into service, and cost optimization will drive its distributable cash flows and dividend payouts. Enbridge stock yields over 6%, and an investment of \$81,500 will help you earn a passive income of approximately \$414 per month.

Canadian Utilities

Canadian Utilities ([TSX:CU](#)) is a must-have for income investors to generate a growing passive-income stream. Its conservative utility business, backed by regulated and contracted assets, generates robust cash to cover its payouts and drive its dividend higher.

Canadian Utilities has the longest dividend-growth history (increased dividend for 50 years) by any Canadian corporation.

Its continued investment to expand its regulated and contracted asset base will boost its earnings and drive higher dividend payments. Canadian Utilities stock offers a dividend yield of 4.3%, implying an \$81,500 investment would help you earn a worry-free passive income of about \$292 per month in the TFSA portfolio.

CATEGORY

1. Dividend Stocks
2. Investing

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2. NYSE:FTS (Fortis Inc.)
3. TSX:CU (Canadian Utilities Limited)
4. TSX:ENB (Enbridge Inc.)
5. TSX:FTS (Fortis Inc.)

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