



## TFSA Passive Income: Make Over \$410/Month Tax Free for the Rest of Your Life

### Description

The **S&P/TSX Composite Index** suffered its [worst single-day drop](#) since June on September 13. Fortunately, there was some bounce back, as it was up triple digits in late-morning trading today. Regardless, investors may want to explore passive-income strategies, as volatility continues to squeeze their portfolios. That income is even better in tax-free form.

In this article, I want to explore how you can look to generate over \$410 per month in your [Tax-Free Savings Account \(TFSA\)](#) for the long haul. To do that, we are going to be utilizing all our cumulative contribution room of \$81,500. That said, investors should look to maximize diversification in their TFSA, or any portfolio, rather than rely on a handful of stocks to generate growth or income. Investors who take that route are subjecting themselves to considerably more risk in comparison to a properly diversified portfolio. This article is an example of just how much income you can generate with the right investments. Let's jump in.

### This energy stock offers big dividends for your TFSA

**Pembina Pipelines** ([TSX:PPL](#))([NYSE:PBA](#)) is a Calgary-based company that provides transportation and midstream services for the energy industry. Shares of this energy stock have climbed 24% in 2022 as of late-morning trading on September 14. That has pushed the stock into positive territory in the year-over-year period.

This company released its second-quarter fiscal 2022 results on August 4. It delivered total revenues of \$3.09 billion compared to \$1.90 billion in the prior year. Meanwhile, adjusted cash flow from operating activities rose to \$683 million over \$538 million in the second quarter of 2021.

Its shares closed at \$46.96 as of close on September 13. In this hypothetical, we can snatch up 550 shares of Pembina Pipelines in our TFSA for a purchase price of \$25,828. The energy stock offers a monthly distribution of \$0.217 per share, which represents a strong 5.5% yield. This investment will allow us to generate tax-free passive income of \$119.35 going forward.

## Here's a REIT that can deliver strong passive income

**Northwest Healthcare REIT** ([TSX:NWH.UN](#)) is a Toronto-based [real estate investment trust \(REIT\)](#) that owns and operates a portfolio of high-quality global healthcare real estate. Its shares have dipped 9.8% in the year-to-date period. In the second quarter of 2022, it delivered revenue growth of 24% to \$111 million. Meanwhile, total assets under management (AUM) jumped 22% to \$10.2 billion.

This REIT closed at \$12.35 on Tuesday, September 13. We can snag 2,300 shares of the Northwest REIT for a total price of \$28,405. The REIT last paid out a monthly dividend of \$0.067 per share, representing a tasty 6.4% yield. This purchase will allow us to make monthly tax-free passive income of \$154.10 in our TFSA.

## One more stock that is perfect for generating passive income in your TFSA

**First National Financial** ([TSX:FN](#)) is the final dividend stock I'd look to snatch up in our hypothetical TFSA right now. This Toronto-based company originates, underwrites, and services commercial and residential mortgages in Canada. Shares of First National have dropped 9.7% in the year-to-date period.

Shares of First National closed at \$38.46 on Tuesday, September 13. In our scenario, we can buy 705 shares of First National for a purchase price of \$27,114. First National currently offers a monthly distribution of \$0.196 per share. That represents a very strong 6.1% yield. This purchase will allow us to churn out passive income of \$138.18 per month in our TFSA.

## Bottom line

These investments will allow us to churn out passive income of \$411.63 in your TFSA.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. NYSE:PBA (Pembina Pipeline Corporation)
2. TSX:FN (First National Financial Corporation)
3. TSX:NWH.UN (NorthWest Healthcare Properties Real Estate Investment Trust)
4. TSX:PPL (Pembina Pipeline Corporation)

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