



TFSA Passive Income: Make \$455/Month Tax Free for Life

Description

The annual contribution room in a [Tax-Free Savings Account \(TFSA\)](#) remained at \$6,000 in 2022. That brought the cumulative contribution room in your TFSA to \$81,500 this year. Today, I want to discuss how you can look to generate over \$450 per month in your TFSA for the long haul. We will be using all our cumulative contribution room in this hypothetical.

Investors should keep in mind that this is a hypothetical to demonstrate how you can generate big income in your TFSA given the opportunity. Foolish investors should look to heavily diversify their portfolios instead of throwing in with a handful of stocks. Let's jump in.

This energy stock is a perfect target for your TFSA

Keyera ([TSX:KEY](#)) is a Calgary-based company that is engaged in the energy infrastructure business. Shares of this energy stock have climbed 5.5% year to date as of close on September 22. The stock is down 5.8% compared to the same time in 2021.

This energy stock closed at \$30.27 per share in yesterday's trading session. In our hypothetical, we can snatch up 625 shares of Keyera for a total purchase price of \$18,918.75. The stock offers a monthly dividend of \$0.16 per share. That represents a tasty 6.3% yield. This investment means we can deliver monthly passive income of \$100 in our TFSA.

Here's a green energy stock that provides big passive income

TransAlta Renewables ([TSX:RNW](#)) is the second stock I'd look to snatch up in our passive-income-focused TFSA today. This Calgary-based company develops, owns, and operates renewable power-generation facilities. Its shares have dropped 14% so far in 2022.

The [green energy stock](#) closed at \$15.96 per share on September 22. We can scoop up 1,120 shares of TransAlta Renewables for a total price of \$17,875.20. This green energy stock boasts a monthly dividend payout of \$0.078 per share, which represents a strong 5.8% yield. That means you can churn

out \$87.36 in tax-free passive income per month.

Another energy stock to stash in your TFSA

Freehold Royalties ([TSX:FRU](#)) is a Calgary-based oil and gas royalty company. This company sets out to reward its shareholders with attractive and consistent income. Its shares have climbed 12% in the year-to-date period. The stock is up 37% from the same period in 2021.

Shares of Freehold Royalties closed at \$14.50 per share on September 22. In our scenario, we can snag 1,600 shares of this dividend stock for a purchase price of \$23,200. Freehold currently offers a monthly dividend of \$0.09 per share, representing a monster 7.4% yield. This will allow us to churn out tax-free monthly passive income of \$144.

One more dividend stock that can help you churn out passive income for life

Extendicare ([TSX:EXE](#)) is the fourth [dividend stock](#) that I'd zero in on in this hypothetical. This Markham-based company provides care and services for seniors across Canada. Its shares have dropped 8.2% in 2022 as of close on September 22.

This dividend stock closed at \$6.94 per share on September 22. We can snatch up 3,100 shares of Extendicare for a total price of \$21,514. The stock offers a monthly distribution of \$0.04 per share. That represents a very strong 6.9% yield. This investment will allow us to make monthly passive income of \$124 in our TFSA.

Bottom line

These investments will allow us to generate monthly passive income of \$455.36 in your TFSA.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:EXE (Extendicare Inc.)
2. TSX:FRU (Freehold Royalties Ltd.)
3. TSX:KEY (Keyera Corp.)
4. TSX:RNW (TransAlta Renewables)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred

6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. aocallaghan
2. kduncombe

Category

1. Investing

Date

2025/07/21

Date Created

2022/09/25

Author

aocallaghan

default watermark

default watermark