



TFSA Couples: How to Invest for \$777 of Passive Income Each Month

Description

The [Tax-Free Savings Account](#) (TFSA) can be used by equity investors to create an alternative stream of income. You can invest in blue-chip [dividend stocks](#) that provide shareholders with monthly or quarterly payouts. Since any returns generated in the TFSA, including dividends, are sheltered from taxes, your portfolio can deliver outsized gains over time.

Dividend-paying companies typically report consistent profits across market cycles. This visibility in cash flows and earnings makes them top bets for income-seeking investors.

In 2023, the maximum cumulative contribution room for the TFSA will increase to \$88,000. For couples, the contribution limit will double to \$176,000. So, let's see how you can use the benefits of TFSA investing to build a dividend portfolio and receive \$777 in tax-free passive income each month.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
TD Bank	\$89.89	392	\$0.96	\$376.32	Quarterly
Enbridge	\$53.31	660	\$0.8875	\$585.75	Quarterly
TC Energy	\$57.99	607	\$0.90	\$546.3	Quarterly
Telus	\$28.13	1,251	\$0.35	\$488	Quarterly
BIP	\$47.58	740	\$0.4825	\$357	Quarterly

Toronto-Dominion Bank

One of the largest banks in Canada, the **Toronto-Dominion Bank** ([TSX:TD](#)) offers investors a dividend yield of 4.3%. TD is the second-largest Canadian bank in terms of market cap, net income, and net assets. In North America, TD Bank is the sixth largest by total assets and fifth largest by total deposits.

Armed with a well-capitalized balance sheet, TD Bank is enviably positioned to tide over the threat of a

global recession in 2023. Valued at 9.9 times forward earnings, TD Bank stock is very cheap at current valuations.

Enbridge

It's impossible to avoid **Enbridge** ([TSX:ENB](#)) if you are building a dividend portfolio of blue chip stocks. With a yield of more than 6%, Enbridge has returned over 1,000% to investors in dividend-adjusted gains in the last two decades.

A majority of Enbridge's cash flows are regulated, and the company is focused on expanding its base of assets, which should increase its earnings in the future and support dividend increases. Enbridge has increased dividends at an annual rate of 10% in the past decade.

TC Energy

Another Canada-based pipeline giant **TC Energy** ([TSX:TRP](#)) also provides shareholders with a tasty dividend yield of 6.2%. TC Energy has built a robust network of pipelines to transport a range of commodities across North America. Its contracts are fixed rate and indexed to inflation, making TC Energy almost immune to fluctuations in oil prices.

TC Energy is equipped with an investment-grade balance sheet and a sustainable payout ratio providing the company with enough room to lower debt, reinvest in capital expenditures, and increase dividend payouts.

Telus

One of the largest telecom companies in the country, **Telus** ([TSX:T](#)) is part of a defensive sector. Despite an inflationary environment, Telus is forecast to increase its adjusted earnings from \$1.07 in 2021 to \$1.44 in 2023.

Priced at 22.5 times forward earnings, Telus is expected to expand its profit margins at an annual rate of 18.4% in the next five years. It's reasonably valued, given the stock's impressive dividend yield of 4.9%.

Brookfield Infrastructure Partners

The final dividend stock on my list is **Brookfield Infrastructure Partners** ([TSX:BIP.UN](#)). This diversified company owns and operates utilities, transport, data center, and midstream businesses in the Americas, Europe, and Asia Pacific.

Down 16% from all-time highs, Brookfield Infrastructure Partners currently offers shareholders a dividend yield of 4.2%.

The Foolish takeaway

If TFSA couples distribute \$176,000 equally among these five TSX stocks, they can earn around \$9,328 in annual dividend income, translating into a monthly payout of \$777.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BIP.UN (Brookfield Infrastructure Partners L.P.)
2. TSX:ENB (Enbridge Inc.)
3. TSX:TD (The Toronto-Dominion Bank)
4. TSX:TRP (TC Energy Corporation)

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. araghunath
2. cleona

Category

1. Dividend Stocks
2. Investing

Date

2025/06/30

Date Created

2022/12/09

Author

araghunath

default watermark