



Retiree Passive Income: Which of These 2 Energy Stocks is a Better Buy?

Description

Canadians cherish Old Age Security (OAS) because it assures a monthly income stream at age 65. Those who contributed to the Canada Pension Plan (CPP) would have more funds during their golden years. However, even if you're receiving both benefits, it won't guarantee a comfortable retirement life.

People who are forward-looking or want to secure their financial futures save and invest. For that purpose, the federal government introduced the Registered Retirement Savings Plan (RRSP) in 1957 followed by the Tax-Free Savings Account (TFSA) in 2009. Because the OAS and CPP are partial replacements for the average pre-retirement income, these [investment accounts](#) should help Canadians boost their future income.

Create a retiree's passive income

Most Canadians building retirement wealth prefer to hold dividend stocks in their RRSPs or TFSAs as money growth in both is tax-free. For a reliable income source, pipeline stocks in the [energy sector](#) are logical choices. Today, you can choose **TC Energy** ([TSX:TRP](#)) or **Pembina Pipeline** ([TSX:PPL](#)).

The companies are major players in North America's oil and gas midstream industry. Apart from their critical roles in the energy supply chain, both stocks provide superior dividend cash flow. The dividend offer of TC Energy is 6.22%, while Pembina's yield is 5.69%.

Assuming you have \$100,000 in savings to invest right now, the table below shows the number of shares you can buy and retiree passive income you can create.

Company	Price	No. of Shares	Dividend per Share	Total Payout	Frequency
TRP	\$57.85	1728	\$3.60	\$6,217.81	Quarterly
PPL	\$46.77	2138	\$2.66	\$5,689.67	Monthly

Your investment in TC Energy and Pembina Pipeline will produce \$6,217.81 and \$5,689.67 yearly assuming dividend yields remain constant. However, the dividend payout frequency differs. Thus,

you'd receive \$1,554.45 every quarter from TRP and \$474.14 monthly from PPL.

Multiple growth platforms

TC Energy stands tall in North America because of its diversified, high-quality assets that serve as growth platforms. The \$57.9 billion conglomerate operates a pipeline network (natural gas and oil, and liquids), provides energy solutions, and owns seven power generation facilities.

The long-life energy infrastructure assets generate consistent cash flows and enable dividend growth. TC Energy has increased its dividends for 21 consecutive years. President and CEO, François Poirier, said, "Demand for our services across our North American portfolio remains high." He expects the strong utilization, availability, and overall asset performance to continue for years.

Top monthly income stock

Besides its dividend growth streak of 10 years and attractive dividend yield, Pembina Pipeline is popular with income investors for its monthly payout scheme. The \$25.8 billion energy transportation and midstream service provider is highly diversified and constantly pursuing new growth projects.

Management expects cash flow from operating activities in 2023 to exceed dividends and Pembina Pipeline's capital investment program needs, like in 2022. The Board approved a 3.6% dividend hike this year due to record-setting financial results.

Boost your pensions

TC Energy and Pembina Pipeline are generous passive income providers. Canadians can boost their retirement income sources like OAS and CPP by saving and investing in either dividend aristocrat.

CATEGORY

1. Energy Stocks
2. Investing

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1. TSX:PPL (Pembina Pipeline Corporation)
2. TSX:TRP (TC Energy Corporation)

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Date

2025/08/18

Date Created

2022/12/14

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