



## TFSA Passive Income: How to Get \$320 Per Month Tax Free for Decades

### Description

If you haven't invested in [dividend stocks](#) from your [TFSA](#) (Tax-Free Savings Account) yet, you might be missing out on a great opportunity. While you can use your TFSA money to invest in [growth stocks](#) to expect outstanding returns in a short period of time, growth stocks tend to be highly volatile and could potentially increase your risks.

So, if you want to play it safe, it might be a good idea to include some [fundamentally](#) strong dividend stocks in your portfolio, which are usually less volatile than growth stocks. Besides that, investing in Canadian dividend stocks from your TFSA can also help you earn tax-free passive income.

In this article, I'll highlight the reliable dividend stock that can help you earn a passive-income equivalent to \$320 per month for decades.

### A great dividend stock for TFSA investors

When investing in a dividend stock, TFSA investors should always look at its future growth outlook apart from its historical financial growth trends. This principle will help filter out fundamentally weak stocks, which could prove to be risky investments in the long run.

With that in mind, **Keyera** ([TSX:KEY](#)) could be a great dividend stock for TFSA investors to buy now and hold for decades to come. This Calgary-headquartered midstream oil- and gas-focused company currently has a [market cap](#) of \$7.2 billion, as its stock trades at \$31.10 per share with about 5.1% year-to-date gains. By comparison, Canada's **TSX Composite Index** has risen 6.9% year to date.

At this market price, Keyera offers an attractive 6.2% annual dividend yield and currently distributes its dividend payouts every month. While it will continue to pay monthly dividends until March 2022, it's important to note that the company recently [announced](#) a move to quarterly dividend payments starting from the second quarter of 2022 onwards.

## What makes this dividend stock reliable?

In 2022, Keyera [reported](#) a solid 42% YoY (year-over-year) jump in its total revenue to \$7.1 billion. Strong contributions of its gathering and processing and marketing segments drove its full-year adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) to a record \$212.5 million, reflecting an 8% YoY increase.

To give you an idea about its long-term financial growth trends, Keyera's revenue more than doubled in the last five years. Similarly, the energy firm's adjusted EBITDA has grown positively by 67% in five years between 2017 and 2022. This positive growth has helped it raise its dividend per share by 16% during these five years.

Moreover, Keyera's low-leveraged business model with high-quality assets, sustainable dividends, and a robust balance sheet makes it a reliable stock to consider investing in for the long term.

COMPANY	RECENT PRICE	NUMBER OF SHARES	DIVIDEND	TOTAL PAYOUT	FREQUENCY
Keyera Corp	\$31.10	2,000	\$0.16	\$320	Monthly*
Prices as of Feb. 15, 2023,					*KEY will move to quarterly dividend payments from Q2 2023 onwards

## Bottom line

If you buy 2,000 shares of Keyera with your TFSA money right now, you can expect to receive a tax-free, passive-income equivalent to \$320 each month or \$3,840 each year from its reliable dividends. To buy these many shares of Keyera at the current market price, however, you'll have to invest \$62,200 in the company. While this example gives you a good idea of how you can create a source of tax-free passive income by investing in quality dividend stocks, you should always remember to diversify your portfolio instead of relying on a single stock.

### CATEGORY

1. Dividend Stocks
2. Investing

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