

Gifting your Registered Accounts

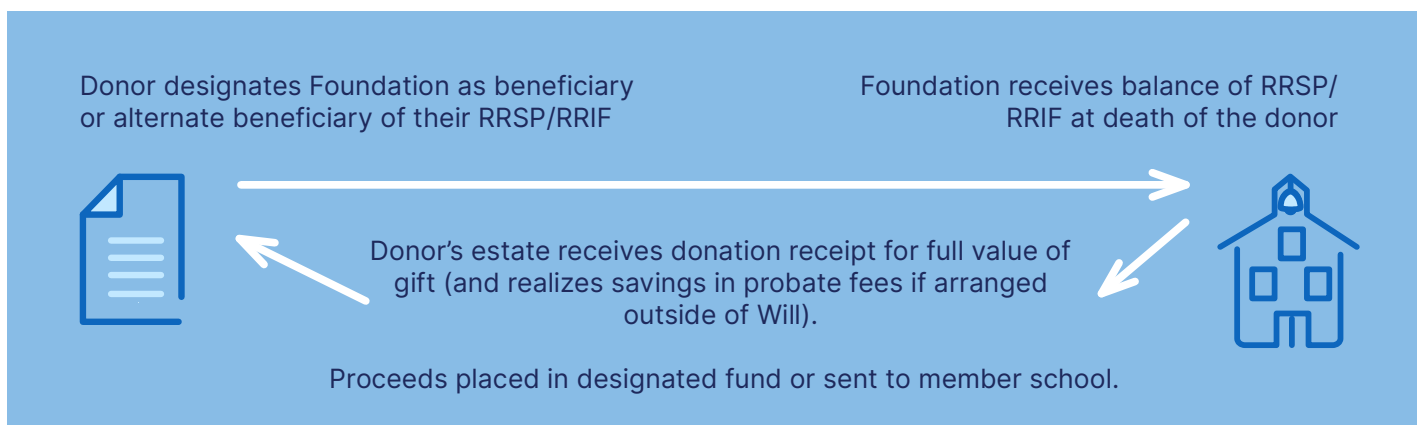
Saving for your retirement through a Registered Retirement Savings Plan (RRSP) is one important component of a complete financial plan. Your plan should also consider what happens to your RRSP or RRIF (Registered Retirement Income Fund) when you pass away.

If a surviving spouse (or a financially dependent child) is not named as the beneficiary, these registered assets are deemed to be disposed of and 100% of the balance is added to your income in the year of your death. The tax liability resulting from this disposition will be assumed by your estate. If other income was earned in that year, these registered assets could easily be subject to tax at the highest marginal tax rate of over 50%.

You can bless your local Christian school, rather than paying extra income taxes.

Features of RRSP/RRIF Gifts

- + These are simple to arrange by adding a beneficiary or alternate beneficiary
- + The gift is revocable - you retain the option to make changes, should you change your mind
- + Your estate will receive a generous donation receipt, offsetting other taxes owed
- + If these are gifted outside of your Will, they will not be subject to probate fees



How it Works

For most of us, an RRSP or RRIF will add significantly to our income in our estate. In general, donations are limited to 75% of your income in any given year. In the year of death, however, this limit is increased to 100% of your income, and donations can be carried back to the year preceding death, generating even more tax savings. It can make good sense – from a taxation perspective – to gift assets like these directly to the Foundation by naming it as the beneficiary (or alternate beneficiary) or through a specific bequest gift in your Will.

There are two basic ways to use your RRSP or RRIF to make a charitable gift.

+ Name your estate the beneficiary of your RRSP or RRIF after your spouse (or financially dependent child), and have the estate donate an equivalent value to the Foundation. Your Will must include a specific bequest to the Foundation that is equal to the value of the RRSP or RRIF, either as a fixed dollar amount or as a percentage of the total estate. You may also gift the asset specifically by naming its account number and financial institution. If your spouse survives you, then the spouse's Will must provide for a similar bequest. A donation receipt will be issued to the estate to offset the taxable income from the registered funds.

Using this method, the asset is included in the estate and probate fees are payable on the full amount. These fees vary, depending on your province of residence. If you gift the asset specifically and subsequently change financial institutions but fail to update your Will, the gift will not occur.

+ Name the Foundation as the beneficiary (or alternate beneficiary) on your RRSP or RRIF documents with the financial institution. Upon your death, or that of your spouse, the Foundation receives the balance of the assets directly from the financial institution. The estate receives a tax receipt from the Foundation to offset the taxable income. Because the asset passes outside of the Will (or estate), no probate fees are payable, resulting in further savings for the estate.

Using this method, the Foundation receives your gift in a timely fashion and as a result, your gift begins to benefit the schools almost immediately.

The Christian School Foundation Makes This Easy for You

Contact us for information about naming beneficiaries and gifting registered accounts. We will discuss your wishes with you and provide a Gift Direction Form to ensure the funds will be properly designated and used according to your wishes.

Gifting with an RRSP or RRIF comes with varying tax and estate planning implications. Before proceeding, it is advisable to thoroughly review your options. In some cases, a professional tax planner should be consulted.

We can assist you in accomplishing your generous donation.
Please contact Kevin teBrake at the Christian School Foundation
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