



## Gifts of RRSP/RRIF

Saving for your retirement has become an essential part of a complete financial plan. However, your strategy should also consider what happens to your RRSP or RRIF when you pass away.

Upon your death, where a surviving spouse is a named beneficiary, these registered savings are transferred to his/her name without a tax liability. However, when there is no surviving spouse (or disabled child) listed as the beneficiary, these accounts are deemed to be disposed of and 100% of the remaining balance is added to your income in the year of your death. If other income was earned in the year of your death, this could easily be subject to tax at the highest marginal tax rate.

Since Canadians can now receive tax credits for charitable gifts of up to 100% of their income in the year of their death (and retroactive one year) it may make good sense to gift assets like these directly to charities through a beneficiary designation.

## Benefits

1. Gifts are not subject to probate.
2. Change of beneficiary is revocable. You can change your mind completely or change where and how much each charity receives.
3. There is no delay in your charities receiving the funds.

## How We Can Help

Choosing to name a charity or multiple charities as beneficiaries of your RRSP/RRIF could become very complicated, confusing to your executor and could result in unintended desires. Also, moving your RRSP/RRIF to a new institution, or converting your RRSP to a RRIF without bringing the designated beneficiaries forward could result in certain charities receiving nothing and even worse the tax benefits to you erased. Naming Link Charity as the one and only charity beneficiary on your RRSP and your RRIF accounts prevents this from happening. Through a letter of direction, Link Charity will coordinate all the different amounts in the different plans and make a fair and equitable distribution to charities of your choice as per your letter of direction.