



Saving for your retirement is an essential part of a complete financial plan. However, your strategy should also consider what happens to your RSP or RIF plan when you pass away.

Upon your death, where a surviving spouse is not a named beneficiary, your registered savings are deemed to be disposed of and 100% of the remaining balance is added to your income in the year of death. The tax liability resulting from this disposition will be born by your Estate. If other income was earned prior to death, this could easily be subject to tax at the highest marginal tax rate.

For many, an RSP or RIF plan will contribute significantly to income in the year of death. Since Canadians can now receive tax credits for charitable gifts of up to 100% of their income in the year of death (and retroactive one year) – gifting your RRSP or RRIF to Centre Grey Health Services Foundation through a beneficiary designation or a bequest gift in your Will is a very effective way to support local health care and provide a tax benefit to your Estate.

Features of RSP/RIF Gifts

- Simple to arrange through a change in beneficiary or alternate beneficiary
- Revocable gift with the charity as beneficiary or alternate beneficiary
- Tax credits for donor's Estate
- Gift not subject to probate fees
- Estate still liable for tax due on disposition of asset (offset by gift)

Two Possible Ways of Using Your RSP or RIF to Make a Gift Are:

1. Make your Estate the beneficiary of the RSP or RIF after your spouse, and gift an equivalent amount to the Foundation through your Will, 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 should provide for a similar bequest. A receipt will be issued to the Estate to offset the tax on the registered savings payable by the Estate.

Using this method, the asset is included in the Estate and probate fees are payable on it. Donors might consider this option if they lack cash in the Estate to pay the resulting taxes.

2. Make Centre Grey Health Services Foundation the beneficiary or alternate beneficiary of your RSP or RIF plan. Upon your death, or that of your spouse, the Foundation receives the balance of the asset directly from the financial institution. Your Estate receives tax credits for the charitable gift to offset the tax on income. Because the asset passes outside of the Estate, no probate fees are payable on the asset, resulting in additional tax savings.

Using this method, the Foundation has no involvement in your Estate and receives your gift in a timely fashion. You should ensure that there are sufficient liquid assets to pay the taxes on the resulting disposition.

About Centre Grey Health Services Foundation

Centre Grey Health Services Foundation is a charitable organization that raises funds to support health care in our community. Our priority is the purchase of essential medical equipment at Grey Bruce Health Services Markdale.

The Foundation is governed by a volunteer Board of Directors drawn from the area. This includes Grey Highlands and portions of Chatsworth, Southgate, and West Grey. There is a constant need for new and updated medical equipment at our hospital. In most cases, the Province doesn't provide funding for such equipment. Our mission is to make sure that residents and visitors to Centre Grey will continue to have access to the best medical technology.



**CENTRE GREY
HEALTH SERVICES
FOUNDATION**

MARKDALE

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This information provides a brief overview on planning a gift to Centre Grey Health Services Foundation. The information is general in nature and is subject to change according to individual circumstances. You should always consult your own professional advisors for detailed information tailored to your circumstances and to confirm applicable tax benefits.
