

RRSP/RRIF Gifts

caring for tomorrow through legacy giving

Saving for your retirement is 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 not a named beneficiary, these 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 donors, an RRSP or RRIF 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 plan to the Owen Sound Regional Hospital Foundation through a beneficiary designation or a bequest gift in your Will is a very effective way to support local health care.

Features of RRSP/RRIF 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)

Donor names
Foundation as beneficiary of RRSP/RRIF plan or makes equivalent estate gift

Foundation receives
Balance of asset, or equivalent gift from donor's Estate

Hospital receives
Funding for high priority equipment needs



Donor's Estate receives
Donation receipt for final tax return

How it Works

Two possible ways of using your RRSP or RRIF to make a gift to the Foundation are:

1. Make your Estate the beneficiary of the RRSP or RRIF 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 the Owen Sound Regional Hospital Foundation the beneficiary or alternate beneficiary of your RRSP or RRIF 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 tax payable on the income. Because the asset passes outside of the Estate, no probate fees are payable on the asset, resulting in additional 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 the Foundation

The Owen Sound Regional Hospital Foundation is a charitable organization that raises funds to support the purchase of medical equipment for Grey Bruce Health Services - Owen Sound Regional Hospital. A Board of Directors comprised of volunteers from the community governs the Foundation.

Our legal name is **Owen Sound Regional Hospital Foundation**. Our charitable registration number is **BN 124052507 RR0001**.

Questions?

If you have questions about giving through your will, please contact the Foundation office. All discussions are confidential.

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This information provides a brief overview on planning a gift to the Owen Sound Regional Hospital 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 own circumstances and to confirm applicable tax benefits.