



## **Yes, I would like to make a Donation! RRSP/RRIF Gifts**

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 die.

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 borne 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 Chesley Hospital Foundation through a beneficiary designation or a bequest gift in your Will is a very effective way to support local health care.

### **Highlights 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)

### **How it Works:**

There are two ways you can use your RRSP or RRIF to make a gift to our Foundation.

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.

**Thank-you for making a difference!**



SUPPORTING HEALTH CARE IN "YOUR" COMMUNITY  
CRA Registration BN: 89031 0246 RR0001

Chesley Hospital Foundation  
39 2nd St SE, PO Box 40  
Chesley ON N0G 1L0

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2. Make the Chesley 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 Our Foundation

The Chesley Hospital Foundation is a registered charitable organization that raises funds for equipment and facilities for the Chesley Hospital site of the South Bruce Grey Health Centre hospital corporation. The donations come from individuals, estates, corporations, clubs and other organizations.

Our Charitable registration number is BN: 89031 0246 RR0001.

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