

Gifts Registered Accounts

We have three main Registered Accounts in Canada. These accounts are an essential part of a complete financial plan and each has its own benefits and considerations. For a many retirees, these assets form a large part of their holdings. You may want to consider options for managing these assets both during your lifetime, and at your death.

Registered Retirement Savings plans (RRSP) or the Registered Retirement Income funds (RRIF) withdrawals are fully taxable as income, while withdrawals from the Tax Free Savings Plan (TFSA) are completely tax free.

Features of a registered gift at death

- Simple to arrange through the naming of a beneficiary directly on the account.
- For simplicity, CSS can be listed as your charitable beneficiary on your registered account and the Letter of Direction will distribute the proceeds to your favourite charities. (See our Gift Distribution Service for details)
- Remember, naming a charity as beneficiary or alternate beneficiary is revocable.

Tax considerations for RRSP and RRIF gifts

- Gifts made by naming a direct beneficiary are not subject to Estate Administration Tax.
- Estate is still liable for taxes due on disposition of the RRSP or RRIF, as the full amount will be added to the taxpayer's income.
- Tax credits for the gift often cover the taxes due on the disposition by the donor's estate and may even provide surplus credits to apply against other taxes.
- Canadians can receive tax credits for charitable gifts of up to 100% of their income in the year of death, and spread these gifts over 5 years with the new Graduated Rate Estate.

Opportunity to gift registered funds during life

- If you determine that you do not need all of your accumulated registered funds for your retirement, you may wish to provide a gift to charity from these assets.
- Upon approval from CRA there is opportunity to have no tax withheld at source, with the resultant charitable tax credit offsetting the tax liability, thereby maximizing the gift.
- This type of gift does require preplanning, and consideration of how the withdrawal might affect other aspects of your income, such as a possible OAS clawback.

Christian Stewardship Services can Help!

Considering the varying possibilities surrounding gifts of RRSPs and RRIFs, potential donors should consult the staff at Christian Stewardship Services and/or their own professional advisors before proceeding. CSS has arranged numerous gifts of this kind ranging from \$10,000 to over a million dollars.

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