

## REGISTERED ASSETS – RRSP AND RRIF

By donating Registered Assets such as a Registered Retirement Savings Plan (RRSP) or a Registered Retirement Income Fund (RRIF), you have an opportunity to establish a meaningful legacy at March of Dimes Canada, after taking care of your own financial needs and those of your loved ones.

### HOW DOES IT WORK

When an individual passes away, the remaining value of their RRSP or RRIF is added to their income in the year of death, resulting in significant tax liabilities for their estate. This can create a substantial burden, as the entire amount of the plan is included in the taxpayer's income for that year. However, by donating all or a portion of your RRSP or RRIF to March of Dimes Canada, you can effectively reduce the taxes payable by your estate.

By naming a registered charity, such as March of Dimes Canada, as the direct beneficiary of your RRSP or RRIF, your estate will receive a donation receipt for the full value of the plan. This donation receipt can be used to offset the tax liability, ensuring that the entire value inside your RRSP or RRIF can be gifted to the registered charity without any tax implications.

Through this strategic approach, you have the opportunity to make a significant impact on the causes you care about while mitigating the tax burden on your estate. By considering the donation of your Registered Assets to March of Dimes Canada, you can leave a lasting legacy and support their vital work in improving the lives of others.

### BENEFITS TO YOU

- 1. Tax Advantages:** Donating your RRSP or RRIF to March of Dimes Canada offers tax-effective ways to support the organization. Your estate can claim gifts equal to 100% of your net income in the year of your death and the preceding year. By donating your RRSP or RRIF, you can potentially reduce the tax burden on your estate.
- 2. Control:** You retain control and use of the investment throughout your lifetime, allowing you to manage your financial affairs according to your needs.

3. **Simple:** Making the donation is easy to arrange. You can simply request your financial institution to change the beneficiary designation to March of Dimes Canada.
4. **Flexible:** The designation of March of Dimes Canada as the beneficiary of your RRSP or RRIF is revocable, meaning it can be changed if your financial circumstances require adjustments.
5. **Cost-Effective:** Donating your RRSP or RRIF does not involve any additional out-of-pocket costs.
6. **Eliminates Probate, Legal & Executor Fees:** Your gift is not subject to probate costs or delays in settlement. The full proceeds of your RRSP or RRIF will be payable to March of Dimes Canada upon your death.
7. **Peace of Mind:** By planning and arranging your donation yourself, you can have peace of mind knowing that your gift will occur exactly as planned.
8. **Privacy and Protection:** Donating your RRSP or RRIF is not a matter of public record, allowing you to remain anonymous if desired. Additionally, unlike a will, the designated gift is typically not contestable.

## HOW DOES IT WORK?

There are two ways to donate the proceeds of an RRSP or RRIF:

1. By naming March of Dimes Canada as the direct beneficiary of your RRSP or RRIF, the proceeds will be paid directly to the organization upon your death. This bypasses the probate process, ensuring a smooth transfer of funds. There is no need for your estate to pay probate fees, and the full amount can be used to support the work of March of Dimes Canada.

2. Alternatively, you can designate your estate as the beneficiary of your RRSP or RRIF and include instructions in your Will to donate all or a portion of the proceeds to March of Dimes Canada. In this case, you have the flexibility to specify a percentage or specific amount to be donated. This option allows you to utilize the charitable Will bequest donation tax credit, which can be applied for up to 100% of your income in the year of death and the preceding year.
  - It is important to note that if you choose this option, taxes will be withheld by the RRSP or RRIF trustee, and the donation will be subject to probate fees. Both options provide opportunities to support March of Dimes Canada through your RRSP or RRIF, and the choice depends on your individual circumstances and preferences. And amount to be donated. The donation qualifies for the charitable Will bequest donation tax credit for up to 100% of income in the year of death and in the year preceding.

**Note:** The trustee of your RRSP or RRIF will withhold taxes and probate will apply when choosing this option.

**Speak to your financial advisor, or lawyer to discuss your options. This document is not meant to substitute financial or legal advice.**

**FOR MORE INFORMATION ABOUT MARCH OF DIMES CANADA, CONTACT:**

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