

# Leaving Your Legacy

## Gifts of Registered Funds



### Gifting Registered Fund (RRSP or RIFF)

accumulations to Shalom are great considerations for those who are single or without dependents, as they can realize significant tax savings. Likewise, if you are a married person without children, or have already significantly provided for them, you might consider passing any remaining RRIF funds to Shalom at the death of your surviving spouse.

This method of giving creates value for your estate because it ensures there is always a tax credit from the donation to offset the liability of the registered fund being wound up. Since RRSP/RRIF gifts can be claimed against up to 100% of net income your final two tax returns, the credit will always offset the tax owing on the plan.

#### Example:

Janet, a widow, designates her RRSP valued at \$75,000 to Shalom.

39% tax payable on RRSP proceeds	\$29,250
Tax credit on \$75,000 donation	\$37,500
Net tax	---0--

#### Summary:

Gift to Shalom	\$75,000
Estate receives	\$37,500 tax credit
No tax paid	

In the example provided, if no gift was made the beneficiaries would receive \$45,750 instead of the charity receiving \$75,000.

*(Examples provided are for illustrative purposes only and do not necessarily consider all the specifics of your circumstances.)*

### Benefits of Gifting Registered Funds

If you die without a surviving spouse, children under 18 or dependents who are physically or mentally impaired, the value of your registered plan assets will be added to your taxable income in the year of your death, causing your estate to pay increased taxes.

However, by making a 'direct designation' on your plan's form naming Shalom Counselling Centre as partial or sole beneficiary, your estate can claim the gift up to 100% of net income on your final two tax returns.

By naming a beneficiary other than your estate, these assets are removed from probate and executor fees.

The legal name of Shalom is "Shalom Counselling Centre of Alberta" Shalom Counselling Centre operates as a Registered Charity (BN 82468 0722 RR 0001).

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*This information does not constitute legal or financial advice. Before you give, Shalom Counselling Centre encourages you to pray and discuss the matter with your family, lawyer and financial advisor.*