

LIFE BENEFICIARY GIFTS GIFT OF RRSP/RRIF, TFSA

Retirement funds can be the most heavily taxed assets you own. Naming Sunnybrook Foundation as a direct beneficiary of your Registered Retirement Savings Plans (RRSPs) or Registered Retirement Income Funds (RRIFs) can help you realize substantial tax savings on your estate.

Benefits

- If the beneficiary of your RRSP or RRIF is anyone other than a surviving spouse or dependants who are underage, the value of your RRSP or RRIF will be taxed as income in the year of death, often at the highest tax rate. Naming Sunnybrook Foundation as the direct beneficiary of all or a portion of your retirement fund will provide your estate with a charitable tax receipt to offset this tax.
- Gifts of RRSP/RRIFs or TFSAs are not subject to probate fees because your retirement fund flows outside of your estate.
- Gifts of RRSP/RRIFs or TFSAs provide privacy for donors since this gift is “outside the Will” it will not become public knowledge and cannot be contested.
- There are no fees involved in changing the name of the beneficiary on your RRSP/RRIFs or TFSAs.

How

To designate Sunnybrook Foundation as a beneficiary of your RRSP/RRIFs or TFSAs, simply:

- Obtain a Beneficiary Designation from your plan’s provider.
- Complete the form and add Sunnybrook Health Sciences Centre Foundation as a beneficiary along with our charitable registration number.

Example*

Anna has \$300,000 in her RRSPs and decides to designate Sunnybrook as the beneficiary. Anna shares this with her grown children and they are supportive of her decision. Anna’s late husband was treated at Sunnybrook and received wonderful care and she would like to give back and leave their legacy by supporting innovative health care for future generations.

Anna’s gift to Sunnybrook upon death	\$300,000
Tax credit from charitable gift	\$135,000**
Tax payable on RRIF (@ 45%)	\$135,000
Amount of tax owing	\$0
(\$135,000 - \$135,000)	

If Anna decided to designate her RRSPs to her grown children the net amount they received would be:

RRIF amount	\$300,000
Tax on RRIF (@45%)	\$135,000**
Amount to Anna’s children	\$165,000

Instead, Anna was able to give a \$300,000 gift to Sunnybrook that will make an impact by enabling us to continue inventing the future of healthcare...for generations to come.

* Numbers are for illustrative purposes only.

** Assuming a combined federal and provincial tax credit of 45%