



Gifts of Retirement Plans

Tax sheltered plans such as RRSPs and RRIFs offer some creative approaches to charitable giving. Withdrawals from the fund will be taxed. However, if the proceeds are donated the tax credit on the donation will offset the tax incurred on withdrawal.

On your death almost half of your plan, with a few exceptions including a spousal roll-over, will be given to the government through taxes. The alternative is to designate a charitable recipient of the proceeds of your RRSP or RRIF.

By naming a charity as beneficiary of your plan you will not only be supporting a worthy cause but the entire proceeds of the fund will be available to the charity with no net tax cost to your estate. This is because the tax credit your estate receives for the donation will offset the income tax payable on the withdrawal.