



The Diocese of Edmonton Planned Giving Office

Gifts Registered Retirement Savings

Many people have accumulated substantial assets inside a Registered Retirement Savings Plan (RRSP); however, few people think about using their Registered Retirement Savings as a charitable gift.

Ordinarily, your spouse is named as the beneficiary of your retirement savings as the funds will be transferred to a surviving spouse without tax consequences. It is also possible to transfer retirement savings to a minor child or to a disabled dependent (minor or adult) without tax consequences.

But what happens if you do not have a spouse or child to transfer the funds to? In this circumstance, upon your death, the plan is collapsed and the proceeds are added to the income that will be reported on your final tax return, usually resulting in at least some of the income being taxed at the maximum rate of 39%.

If instead you name the Church as the beneficiary of all or part of the residual of your retirement savings, the gift will generate a tax credit that will more than offset the tax payable. For example, James T, a single man dies at age 72 and leaves \$50,000 to his parish.

Tax on retirement savings at 39%	\$19,500
Tax credit	\$25,000
Credit available to offset tax on other income	\$5,500

The tax credit more than offsets the tax payable because the creditable amount of the gift is 100 percent of net income in the year of death, and it may be carried back to the year before death.

If you have questions or want to learn more about this, or any other, type of planned gift, please contact me, in confidence and without obligation, at the following:

David Connell
Planned Giving Officer
The Diocese of Edmonton
10035 – 103 Street
Edmonton, AB T5J 0X5
Phone: 780-439-7344
Fax: 780-439-6549
Toll Free: 1-877-494-8890
Email: pgofficer@edmonton.anglican.ca