



Gift Through Your RRSP/RRIF

Proceeds from RRSP/RRIF funds are the most heavily taxed estate property to pass along to your children and yet, they also present the simplest way to make a legacy gift to Knowledge Network. Interested? Read on...

If the beneficiary of your RRSP/RRIF is anyone other than your surviving spouse or a dependent child (under 18 or physically or mentally impaired) then the full value of your RRSP/RRIF will be taxed as income, often at the highest tax rate, in the year of death. This can lead to a large tax bill for your estate. For example:

If you pay tax at a 45% rate and your RRSP/RRIF is valued at \$100,000, your estate may have to pay \$45,000 in income tax on this asset alone.

So, when you're planning your estate, don't forget to check who you have named as a beneficiary of your registered funds. You can name specific beneficiaries or your estate. Whichever method you choose, you should ensure it meets with your overall estate plan as it will impact both taxes and probate fees.

You may also want to consider naming Knowledge Network as a beneficiary* (or one of your beneficiaries) of your registered retirement plans. This is often considered to be the best way to set up a 'bequest' as there are no fees involved and you don't need to involve a lawyer...all you have to do is contact your registered fund holder to change the beneficiary named on your RRSP or RRIF.

**Note: If you are a resident of Quebec, you cannot name a charity as a beneficiary of your registered fund, you will have to name your estate as the beneficiary and include a charitable bequest of the equivalent value in your will.*

What is the process of naming Knowledge Network as a beneficiary?

- Contact your plan administrator at the financial institution and request an RRSP/RRIF Multiple Beneficiary Designation form.
- Name Knowledge Network as a beneficiary, using our correct name and charity number:
 - Legal Name: **Knowledge Network Corporation**
 - Charitable Registration Number: **12153 2816 RR0001**
 - Address: **4355 Mathissi Place, Burnaby, B.C. Canada V5G 4S8**

Sounds easy. Are there any more benefits to this form of a legacy gift?

- It won't cost you anything to change your mind in the future.
- You can protect the privacy of your gifts as these funds are paid 'outside' your estate. So, there are no probate fees and your decisions cannot be contested by other beneficiaries or heirs.
- Suits anyone, regardless of their age.
- For donors who are mindful of the cost of setting up a gift through their will, this provides a no-cost alternative.





Gift Through Your RRSP/RRIF (cont.)

If I have more questions about this, who can I contact?

We understand that this is a very important and complex decision and we are happy to help in any way we can. Please contact Paul Graham directly – or if you prefer, have your lawyer or notary do so – he is more than willing to help you and will keep all your conversations and information confidential.

You may also be interested in requesting *A Guide to Your Will*, a workbook for estate planning we've created to help with your future plans.



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This document does not constitute legal or financial advice.

We recommend that before making a decision on a significant gift to Knowledge Network, you seek independent professional advice to ensure your gift is structured in accordance with your personal circumstance and that the related tax implications have been thoroughly considered.

Thank you for considering creating a legacy at Knowledge Network.

