

Registered funds: a smart legacy gift

As a BC resident, when you name a charity as the beneficiary of a registered account, like a RRIF or TFSA, the gift will not be part of your estate and will not be subject to probate. The proceeds will be paid directly to the Foundation by the trustee of the account.

- Your estate gains a donation tax receipt for the full amount of the gift.
- There are no probate fees, and your estate's overall probate fees are reduced.
- Your executor's work is lessened.
- As a gift to charity, this bequest remains confidential and is not contestable.

How to get started:

Ask for the "beneficiary designation form" at the financial institution holding your account. You will need to state our legal charity name and charitable number:

Legal Name: **Kelowna General Hospital Foundation, 2268 Pandosy St., Kelowna BC V1Y 1T2**
Charity Registration # **11897 8733 RR0001**

Selecting a beneficiary with a locked-in account:

Certain locked-in accounts (e.g., LIRA, LIF, LRIF) have restrictions about who can be named as beneficiaries. If you have no surviving spouse or legal partner, your locked-in accounts may be transferred to one or more beneficiaries of your choice.

**Always consult with your advisor. They can inform you about effective strategies for choosing beneficiaries and whether distributing your registered account via your estate in accordance with your Will would be more beneficial.*



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Here is an example of how this type of charity designation works:

An RRSP or RRIF's value must be counted as income for the year of death, and is fully taxable as regular income.

When Marion died on October 21st, her net income was \$200,000. She also had a \$150,000 RRSP. With the KGH Foundation as the beneficiary of her RRSP, and a tax rate of 53.7%, by gaining charitable tax credits, Marion saved her estate \$80,250 in taxes while contributing \$150,000 to her favourite cause.

"Many Canadians are surprised to learn their final tax bill may be almost half of their final year's income...but with proper planning, you can direct gifts to the causes that matter most to you."

Naming charities as beneficiaries of your registered accounts could result in a big charitable tax credit on your final tax return. I've seen situations where tax credits were left over to apply to the previous year's return. Imagine your estate getting a refund of taxes you've already paid!

Naming charities as beneficiaries of your RRSP and RRIFs is very easy to do... the next step is to call your registered plan provider and request a change of beneficiary form."

[Joan Cosby](#)

[Senior Financial Planner, Assante Wealth Management](#)



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Thank you for considering a gift to the KGH Foundation to help shape the future of health care for generations to come.