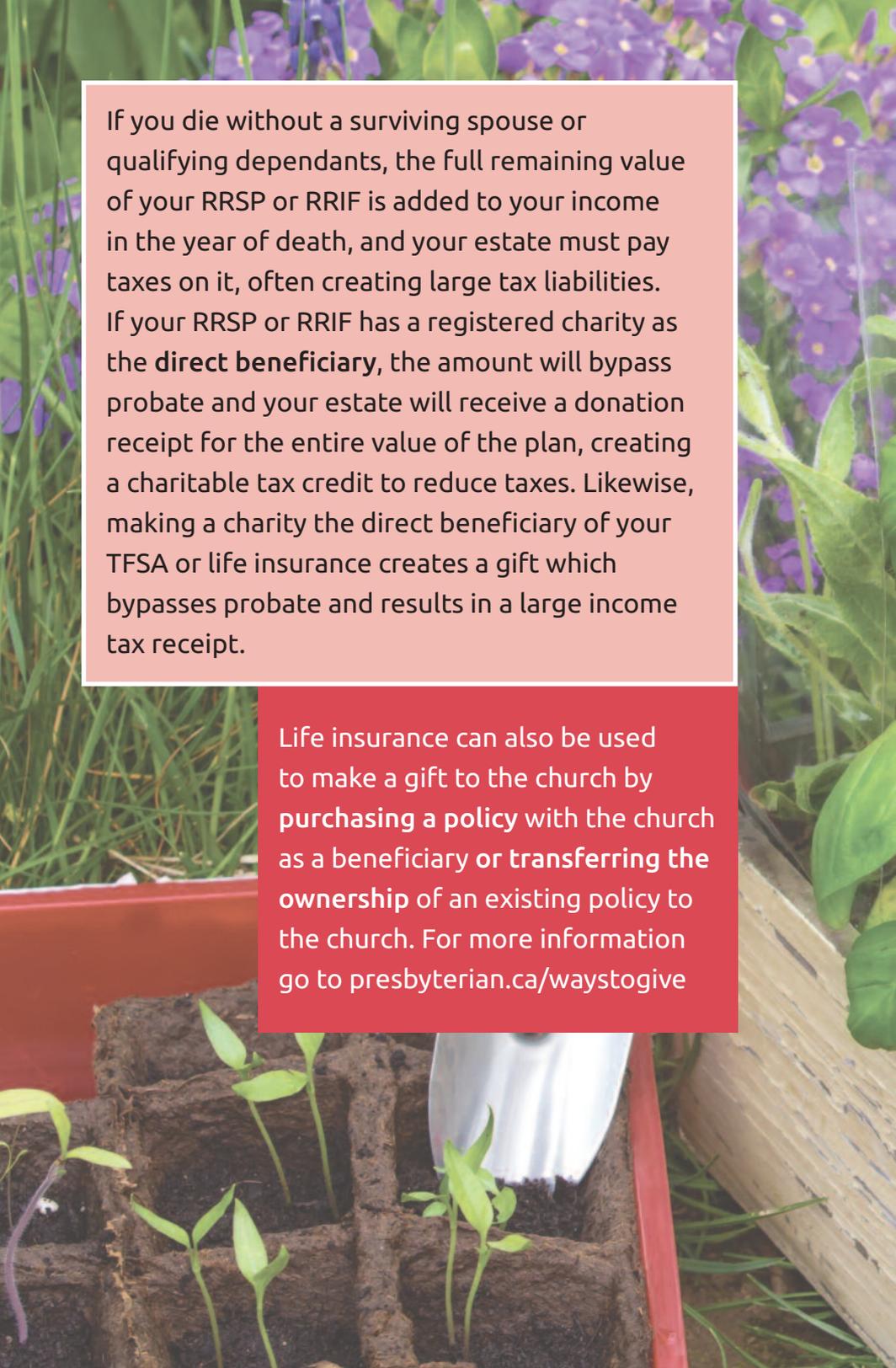


# Life Beneficiary Gifts

*Gifts that Leave a Legacy*



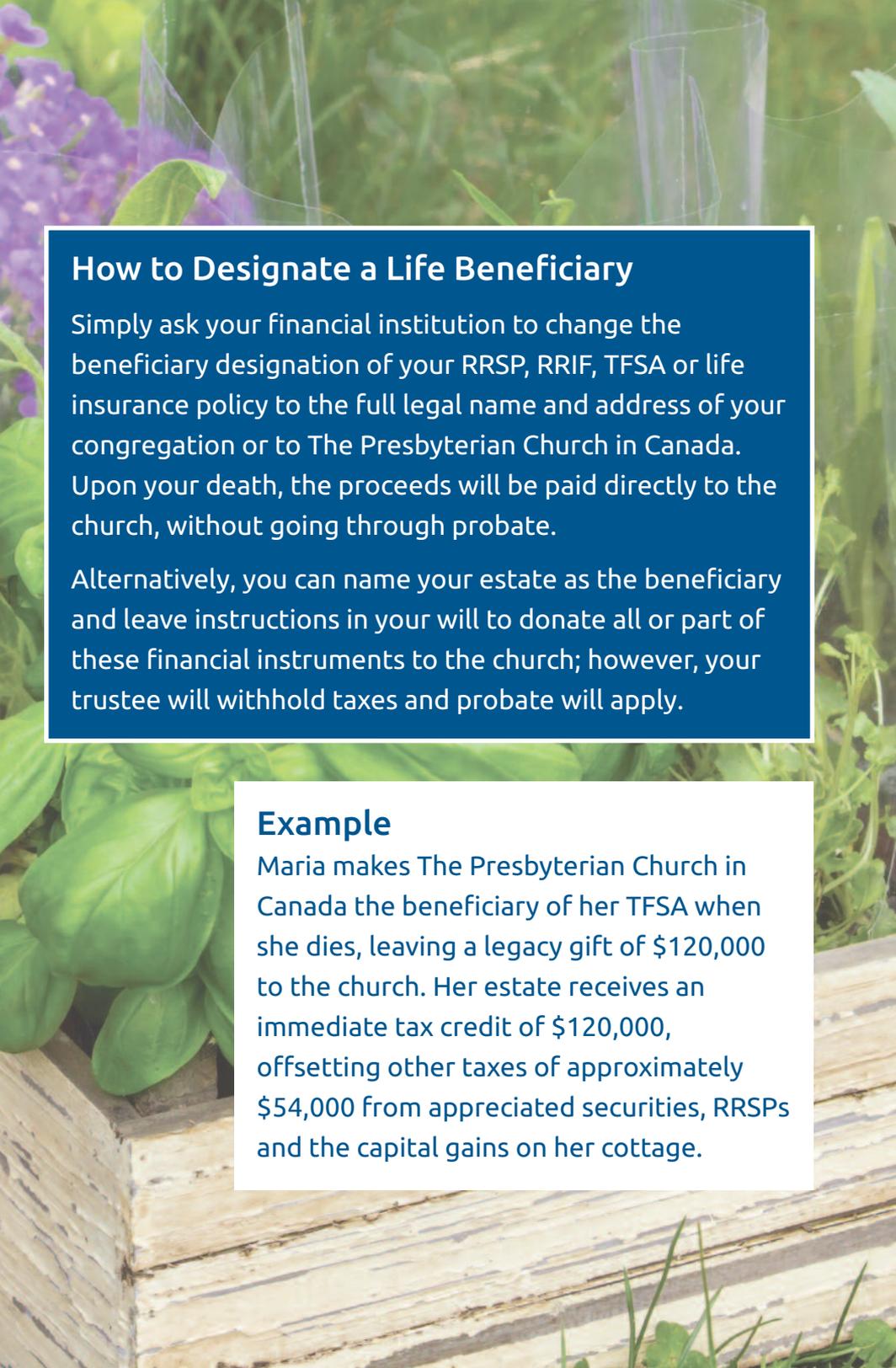
By naming your congregation or The Presbyterian Church in Canada as the beneficiary of your Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), Tax-Free Savings Account (TFSA) or life insurance policy, you can provide a substantial future gift to a ministry important to you, while reducing the taxes payable by your estate.



If you die without a surviving spouse or qualifying dependants, the full remaining value of your RRSP or RRIF is added to your income in the year of death, and your estate must pay taxes on it, often creating large tax liabilities. If your RRSP or RRIF has a registered charity as the **direct beneficiary**, the amount will bypass probate and your estate will receive a donation receipt for the entire value of the plan, creating a charitable tax credit to reduce taxes. Likewise, making a charity the direct beneficiary of your TFSA or life insurance creates a gift which bypasses probate and results in a large income tax receipt.



Life insurance can also be used to make a gift to the church by **purchasing a policy** with the church as a beneficiary or **transferring the ownership** of an existing policy to the church. For more information go to [presbyterian.ca/waystogive](http://presbyterian.ca/waystogive)



## How to Designate a Life Beneficiary

Simply ask your financial institution to change the beneficiary designation of your RRSP, RRIF, TFSA or life insurance policy to the full legal name and address of your congregation or to The Presbyterian Church in Canada. Upon your death, the proceeds will be paid directly to the church, without going through probate.

Alternatively, you can name your estate as the beneficiary and leave instructions in your will to donate all or part of these financial instruments to the church; however, your trustee will withhold taxes and probate will apply.

### Example

Maria makes The Presbyterian Church in Canada the beneficiary of her TFSA when she dies, leaving a legacy gift of \$120,000 to the church. Her estate receives an immediate tax credit of \$120,000, offsetting other taxes of approximately \$54,000 from appreciated securities, RRSPs and the capital gains on her cottage.

## Benefits

- ▶ Create a lasting legacy to support vibrant ministry far into the future
- ▶ Retain the use of the registered investment during your life
- ▶ Reduce the taxes payable on your final tax returns
- ▶ It's easy to arrange and revise the designation if your circumstances change
- ▶ The gift is not subject to probate costs or delays in settlement and cannot be contested



Please seek professional advice to tailor legacy gifts to your circumstances.

For further information, please contact:

### **The Presbyterian Church in Canada Stewardship & Planned Giving**

50 Wynford Drive, Toronto, ON M3C 1J7

[plannedgiving@presbyterian.ca](mailto:plannedgiving@presbyterian.ca)

[www.presbyterian.ca/waystogive](http://www.presbyterian.ca/waystogive)

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