GIFTS OF RRIFS AND RRSPS

Designate the Jewish Foundation as beneficiary of your RRIF or RRSP

WHY GIFTS OF RRIFS AND RRSPS?

RRSPs and RRIFs can be subject to high taxes when left in your estate. By including a charitable gift in your estate plan, you can avoid high taxes, while still providing for your family as well as providing valuable resources for organizations or causes important to you.

There are two ways of making this gift:

1. You can sign an RRIF or RRSP beneficiary designation form naming the Jewish Foundation of Greater Toronto as beneficiary.

2. Use the income from your RRIF to establish a fund or finance a gift of life insurance *(see reverse)*.

Canadian tax rules require that the balance in an individual's RRSP must be converted into a RRIF by age 71.

The rules require minimum annual withdrawals, which are fully taxable. Using this income, you may purchase a life insurance policy that can be structured to suit your own individual needs.

AT-A-GLANCE

- **Allows you to support your family as well as causes important to you**
- **Provides resources for organizations important to you**
- **Provides significant tax benefits to your estate**

Please consult your tax or estate planning professional to determine what is best for you.

As an example:
(numbers are approximate)

Value of RRIF at age 71
$500,000

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Mandatory year one withdrawal is $38,000
Approximate annual net (after tax) income from RRIF

$20,000

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Use the income of your RRIF to purchase a life insurance policy of $500,000
Approximate annual premium:

$20,000*

↓

you can...

Designate the beneficiaries of the life insurance policy as follows:

$250,000 to the Jewish Foundation

$250,000 to your family

at time of death...

This tax receipt from the $250,000 to the charity will off-set taxes owed on the remaining balance of the RRIF

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Your family will have the remaining balance of your RRIF **PLUS** the proceeds from the $250,000 life insurance policy

**Premium illustrated is on a single life policy. Premium would be significantly less on a joint life policy.*