

Instructions

On the line in the title of this form, enter the year the payment was made to the estate.

This form only applies when amounts from a deceased annuitant's RRIF are paid to the annuitant's estate and a qualified beneficiary is a beneficiary of the estate. The deceased annuitant's legal representative and the qualified beneficiary can jointly file this form to designate all or part of the amounts the annuitant's estate received from the RRIF to have been received by the qualified beneficiary as a designated benefit. If filed, this election allows:

- the annuitant's legal representative to reduce the amount the annuitant is considered to have received from the RRIF at the time of death; and
- the qualified beneficiary to transfer the eligible part of the designated benefit to an eligible plan or fund, or to an issuer to buy an eligible annuity.

Complete a separate form for each RRIF of the deceased, for each year for which payments are made out of the RRIF to the annuitant's estate, and for each qualified beneficiary.

The qualified beneficiary has to attach a copy of this form to his or her income tax and benefit return for the year in which the payment being designated was paid to the deceased's estate. The part of the amount designated on line 4 that is not included in the deceased annuitant's income for the year of death has to be reported on line 115 of the qualified beneficiary's return for the year in which the payment was paid to the deceased's estate.

If part of the amount on line 4 is included in the annuitant's income, the annuitant's legal representative can use a copy of this form to reduce the amount reported in the annuitant's final income tax and benefit return. This copy can be filed with the deceased's final income tax and benefit return, or filed later to ask for an adjustment to the income tax and benefit return. We recommend that the beneficiary and the legal representative make two copies of this form for their records.

For more information on the reduction to the deceased annuitant's income and the transfer options available to a qualified beneficiary, see Information Sheet RC4178, *Death of a RRIF Annuitant*.

Definitions

Annuitant – the person who is entitled to receive payments from an RRIF.

Designated benefit – this is an amount that is paid or considered to have been paid from a deceased annuitant's RRIF to a qualified beneficiary. This amount can be included in the income of the qualified beneficiary who receives it instead of the income of the deceased annuitant or the annuitant's estate. The qualified beneficiary who receives a designated benefit can defer paying tax on the eligible part of the benefit by transferring it to an eligible plan or fund, or to an issuer to buy an eligible annuity.

Qualified beneficiary – a qualified beneficiary is the deceased annuitant's spouse or common-law partner, or a financially dependent child or grandchild. A child or grandchild of a deceased annuitant is generally considered financially dependent on that annuitant at the time of death if, before that person's death, the child or grandchild ordinarily resided with and was dependent on the annuitant and they meet one of the following conditions:

- the child or grandchild's net income for the previous year (shown on line 236 of their income tax and benefit return) was less than the basic personal amount (line 300 from Schedule 1) for that previous year; or
- the child or grandchild is impaired in physical or mental functions and their net income for the previous year was equal to or less than the basic personal amount **plus** the disability amount (line 316 from Schedule 1) for that previous year.

If, before the annuitant's death, the child or grandchild had ordinarily resided with and was dependent on the annuitant but was away from home to attend school, we still consider them to have resided with the annuitant.

If the child or grandchild's net income was more than the amounts described above, we will not consider them to be financially dependent on the annuitant at the time of death, unless they can establish the contrary. In such a case, the child or grandchild or the legal representative should submit a request in writing to the child or grandchild's tax services office outlining the reasons why we should consider them to be financially dependent on the annuitant at the time of death.