RRSP Rollover Planning Checklist for Dependent Minor Children

STEP 1: Confirm Eligibility

[ ] Minor child or grandchild was financially dependent on the RRSP holder at the time of death

[ ] Child is under age 18 at time of RRSP holder's death

[ ] (Optional) Child qualifies for the Disability Tax Credit (DTC), if RDSP rollover is being considered

[ ] Dependency is documented (e.g., through tax returns, caregiver role, school support)

STEP 2: Structure the Estate Plan Correctly

[ ] DO NOT name the minor as direct RRSP beneficiary (to preserve flexibility)

[ ] RRSP designated to the estate (not directly to child)

[ ] Will includes direction to executor to:

- Use RRSP to purchase a term-certain annuity to age 18
- OR Rollover to RDSP if child is eligible

[ ] Letter of wishes or planning memo prepared with further guidance

[ ] Executor aware of the child's eligibility and the estate's intent

STEP 3: Communicate with Key Stakeholders

[ ] Executor is informed of this planning strategy

[ ] Client and executor agree to engage a tax preparer upon death

[ ] Estate lawyer is made aware of rollover intention and includes relevant clauses in the will

[ ] Advisor file contains a summary of this plan for reference at death

STEP 4: At Time of Death - Execution Support

[ ] Completing Form T1090 for annuity rollover

[ ] Applying Section 60(l) of the Income Tax Act

[ ] Structuring payout schedule (if annuity)

[ ] Coordinating with RDSP issuer (if disabled child)

[ ] Reporting RRSP on terminal return with appropriate offsets for rollover

Advisor Notes

[ ] This strategy only works when the estate receives the RRSP, so direct designations may bypass the plan.

[ ] When the annuity is used, tax is paid by the child annually (likely at a much lower rate).

[ ] No impact to the child's own RRSP room occurs.

[ ] For RDSP rollovers, ensure there is sufficient room under the lifetime limit and contribution cap.