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**MANITOBA ANNOUNCES PROPOSED AMENDMENT TO THE RETIREMENT PLAN
BENEFICIARIES ACT**

**Province Proposes Legislation to Allow Beneficiary Designation Outside of a Will for a
Tax-Free Savings Account: Selinger**

Manitobans establishing a Tax-Free Savings Account (TFSA) will soon be able to designate a beneficiary outside of a will with amendments to The Retirement Plan Beneficiaries Act, Finance Minister Greg Selinger announced today.

Normally, a beneficiary is required to be designated under a will. However, under the Retirement Plan Beneficiaries Act, a beneficiary of an RRSP, RRIF, pension plan or annuity can be designated outside of a will, thereby reducing or avoiding probate fees that might otherwise apply. This spring, the province will propose an amendment that would allow a TFSA beneficiary to be designated in the same manner.

“In Manitoba, designating a beneficiary outside of a will, if permitted by legislation, allows for a more expedient transfer of property to the beneficiary without the cost of probate fees applying to that property,” said Selinger. “This amendment would allow any person, including an incorporated charity, to be designated as a beneficiary of a TSFA.”

Contributions to a TFSA are not tax deductible, but income earned in a TFSA is earned free of federal and provincial income tax. Withdrawals are also tax-free. The maximum contribution limit for 2009 is \$5,000.

The maximum contribution limit for 2009 is \$5,000. For example, if someone invests \$5,000 in a TFSA and withdraws \$8,000 10 years later, the full \$8,000 is tax free. Outside a TFSA, that \$3,000 gain would have been taxable as dividends, interest or capital gains. If withdrawn from an RRSP, the full \$8,000 would have been taxable as ordinary income.

- 30 -