

Planned Giving – Where there's a will, there's a way

There are many ways to make a substantial contribution to the future of St. Luke's parish without having to sacrifice your standard of living. The simplest is by naming St. Luke's Anglican Church in your will. If you already have a will, you can easily amend it by writing a simple one page codicil which provides a specific gift to the church before the rest of your distribution takes place. Gifts can be made unrestricted, or they can be directed to specific purposes or ministries that are of importance to the testator.



Tax Savings - Many people are not aware of the significant tax savings that can accrue to their estate as a result of a gift in a will. Even people of modest income may be pushed into the highest tax bracket on death, because of the automatic conversion of RRSPs/RRIFs, or capital gains on long-held investments. Making a large charitable gift in your will may be more tax effective than making it in your lifetime.

For example, if a widowed parishioner leaves \$100,000 to the church, and the rest of her estate (\$300,000) to her three children, the tax savings on that \$100,000 donation could be up to \$45,000. If she had left the \$100,000 to her children instead of giving it to the Church, taxes would have consumed \$45,000, leaving the children with only \$55,000. So, by giving St. Luke's a substantial gift of \$100,000, the parishioner has only reduced her children's shares from \$118,300 to \$100,000. This will not make much difference to her children, but it will make a huge difference to the parish.

If you want to enjoy that tax benefit yourself, rather than wait until you die, there are many other options for planned giving. These include:

Trust Donations - If you derive your income from investments, and plan to leave these investments to the Church in your will, you can instead settle a trust right now, and receive an immediate tax benefit from the donation. You can stipulate that you will continue to derive the income from the trust for your lifetime, with the Church getting the capital only after you have passed away. If structured correctly, the large income tax receipt you can obtain now can be spread over several years taxes to earn you a substantial refund from CRA, and the possibility that you will pay no tax on your investment income for a few years to come.

Annuities - You can purchase an annuity which provides you with a guaranteed rate of return on your investment for the rest of your life, with a gift to the church coming out of your monthly annuity payments. Someone who is over 80 years old can usually obtain very attractive annuity rates that will provide them with substantially more income than they receive through investments. For example, someone earning 3% on their investments could receive a 10% return on their annuity. If they donated 3% of that 10% to the Church, they would receive an income tax benefit every year, and have much more disposable income than they enjoy now, while at the same time making a meaningful financial contribution to the life of their parish. There are annuity plans available through the Anglican Church that also allow you to give a residual annuity amount to the Church to obtain a greater present tax benefit.

Life Insurance - If you have an old life insurance policy that you obtained years ago to take care of your family, and the family no longer needs that benefit, you can simply make the Church a designated beneficiary of your insurance plan and this money will flow to the Church on your death. Your estate will benefit from a tax receipt in the amount of the insurance proceeds

There are many other ways in which you can make a lasting gift to the work of St. Luke's. In order to find the right solution, you should seek the assistance of both a lawyer and an accountant. If you have any questions about these, or want to discuss your best options for remembering St. Luke's in your estate plan, please give me a call, or talk to me at coffee time after a service.

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