

Types of Legacy Gifts

Gift in the Will

A gift by Will is also known as a charitable bequest and is the most common type of planned gift.

What are the different types of gifts by Will?

1. **Specific Bequest** - an outright gift of money or property
2. **Residual Bequest** - a percentage or share of the value of your estate after all debts and taxes have been paid
3. **Contingent Bequest** - a gift dependent on the occurrence of another event i.e., the death of a spouse
4. **Testamentary Trust** - established in a Will for the purpose of directing assets (i.e. stocks / securities) immediately and directly to your named beneficiaries which can include family and or charity

Benefits of a gift in the Will:

Planning a gift in your Will gives you peace of mind knowing your plans are in place and will help us enhance patient care for years to come. It is easy to arrange and allows you to make a future gift to St. Joe's while not affecting your income today. A gift in your Will can help eliminate taxes owed by your estate and the tax deduction can be claimed in the year of death and for the five years following.

Gifts outside of the Will

1. Gift of RRSPs/RRIFs

Registered Retirement Savings Plans (RRSPs) and **Registered Retirement Income Funds (RRIFs)** are one of the most effective options for reducing taxes owed to the estate. Donating RRSPs or RRIFs allows you to support St. Joseph's Healthcare Hamilton after your financial needs, and those of your loved ones have already been met.

How to donate using RRSPs/RRIFs:

Naming St. Joseph's Healthcare Foundation Hamilton as the sole or joint beneficiary of your RRSPs or RRIFs is simple and can be done with your financial advisor or at your financial institution, avoiding additional costs of updating the Will.

Benefits of donating RRSPs/RRIFs:

When St. Joseph's Healthcare Foundation is designated as beneficiary of your RRSPs or RRIFs, the proceeds are paid directly to the Foundation, bypassing your estate and avoiding estate administration taxes. The charitable tax receipt issued will eliminate most, if not all, of the significant tax generated by the realization of your registered plans, and can be applied towards the estate's two final income tax returns.

2. *Gift of Life Insurance*

A gift of life insurance is an easy and affordable way to make a significant donation with a relatively small cash investment. A modest annual premium paid over time will result in a significant future gift for St. Joseph's Healthcare Hamilton. The most common types of life insurance used for charitable gifts are whole life and universal life policies.

How to donate using Life Insurance:

Charitable gifts can be made through life insurance in one of three ways: 1) Transfer the ownership of a paid-up policy; 2) Retain ownership and make St. Joe's the beneficiary of a new or existing policy; 3) Name St. Joseph's Healthcare Foundation Hamilton the owner and beneficiary of a new or existing policy.

Benefits of donating a gift of Life Insurance:

- 1) If you transfer the ownership of a paid-up policy to St. Joseph's Healthcare Foundation , you will receive an immediate charitable receipt for tax purposes for the cash surrender value of the policy, plus any accumulated dividends or interest.
- 2) If you retain ownership of a new or existing policy and name St. Joseph's Healthcare Foundation Hamilton as the beneficiary of the policy, your estate will receive a charitable receipt for the value of the policy upon your passing.
- 3) If you make St. Joseph's Healthcare Foundation Hamilton the owner and beneficiary of a new or existing policy, you will make modest annual premium payments during your lifetime and will receive a charitable receipt each year for your annual premium payments. Upon your passing, the policy proceeds come directly to St. Joseph's Healthcare Foundation Hamilton.

For more information please contact: Lisa Gonnering, Manager Estate and Gift Planning at (905) 522-1155, extension 35978 or by email at lisa@stjoesfoundation.ca.