

Be our Super Hero

The most common type of legacy gift is a charitable bequest in a person's Will. However, Canadians are starting to realize the benefits of giving gifts, such as registered assets, life insurance policies, annuities, and charitable remainder trusts.

We can have a conversation with you and your advisors to determine if this type of giving fits your desires, financial objectives, family needs, tax situation and our funding objectives. All discussions are confidential and will not obligate you to make a gift.

There are a variety of ways to give a gift. They include:

- **Publicly Traded Securities** – a way to make an immediate gift and eliminate capital gains tax owed.
- **Bequests** – a gift in your Will is an easy way to reduce estate taxes and may even increase inheritances to your loved ones.
- **Registered Assets** – another way to significantly reduce the taxes owed by your estate.
- **Life Insurance** – leverage the premium payments made today into a larger lasting legacy.
- **Annuities** – a method to potentially increase your income now and reduce taxes.
- **Charitable Remainder Trust** – a way to give an asset and still receive the income it now provides while ensuring your gift happens just as you planned.
- **Major Gifts** – find out how a gift of \$1,000 or more will impact our programs and services.

Even Super Heroes need help! Please seek professional advice to ensure your financial goals are considered, your tax situation is reviewed, and your charitable gift is tailored to your family circumstances.

If you have any questions or would like more information about how to plan your charitable gift to provide the greatest benefits to you, your family and the Alzheimer Society please let us know. We are here to answer your questions.

For general planned giving information, please contact Leslie Rand at 519-680-2404 ext 154 or email your questions to leslie.rand@alzswp.ca.

THANK YOU FOR CONSIDERING US IN YOUR ESTATE PLANS.

Together, we can help fight the dark shadow of dementia and create the brighter future we all want to see.

Some of the many benefits of making a legacy gift to the Alzheimer Society include:

- Tax advantages under current laws.
- Your giving can be tailored to your personal and financial circumstances.
- Your donation is made from assets, not current income.
- Gifts are planned today for distribution at some time in the future.
- Most of the gifts involve planning, however they are easy to arrange. Your financial or estate advisor will be happy to help you complete your gift.

Be our *Super Hero* – Do your Will and Powers of Attorney Today!

Protect your family and your assets. Save taxes and save the world from dementia!

A charitable gift in your Will instructs your Executor/Trustee to leave one or more of your assets to a charitable organization(s). It is an easy way to support the Alzheimer Society while helping you achieve significant tax savings for your estate, by reducing or eliminating your income tax liability in the year of death.

A gift in your Will doesn't have to be large. A small percentage of what's left after your family is provided for could give hope to Canadians living with Alzheimer's disease and other dementias. This kind of gift isn't devalued by inflation, no matter what happens to the economy, nor will it reduce what your loved ones receive. Many people find they can be more generous in their Will than they can ever be during their lifetimes.

Benefits to you

Cost-effective – There are no extra out-of-pocket costs and your present income will not decrease.

Control – You retain use of the assets for the duration of your lifetime.

Peace of mind – You can make changes to your Will at any time.

Memorial – Your gift can be a lasting memorial for you, your family or anyone you may wish to honour.

Simple – A bequest is easy to make. Simply instruct your lawyer to include a gift to the Alzheimer Society in your Will or codicil.

Flexible – Your bequest can be for a specific amount, a percentage of your estate or the residue, meaning a gift after your debts have been paid and other specific bequests are made from your estate.

Tax relief – A charitable bequest reduces estate taxes. We will issue a charitable tax receipt for the full value of your bequest. Your Executor/Trustee will use this receipt to reduce the tax payable on your final tax return. If your bequest exceeds 100% of your net income in the year of your death, the excess may be carried back to the previous tax year for further tax reductions.

You can make a difference – Each one of us is unique and charitable gifts are made for personal reasons. By including the Alzheimer Society in your estate plans, you are joining with us to save the world from dementia.

The statistics are alarming!

Over **70%** of Canadians do not have Powers of Attorney for Care and Property. Over **50%** of Canadians do not have a Will. At the Alzheimer Society, we know the impact of this oversight on families. A diagnosis of Alzheimer's disease and other dementias may prevent you from making or updating your Will to express your own wishes. Please take the first step and do your Powers of Attorney and Will.

Even Super Heroes need help

We recommend that you seek professional advice to ensure your financial goals are considered, your tax situation is reviewed, and your charitable gift is tailored to your family circumstances.

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Yes, you can be our **Super Hero** and save taxes too!

A gift in your Will to the Alzheimer Society may help you leave more to your loved ones and less to the government. Yes, the government will actually reward you for being a Super Hero on our behalf!

The Facts!

When a donation to the Alzheimer Society is made in your Will, it is considered to have been made immediately before you died. You can also name charitable organizations as the beneficiary of an RRSP, RRIF or TFSA, or a life insurance policy. Depending upon your net income in the year of death and the previous year and the total donation amounts, taxes that were paid in the year previous to your death may be rebated and taxes owed in the year of death may be eliminated.

The Reward!

On your final tax return, your Trustee/Executor can claim all charitable donations made in the year of your death, those made in your Will, and those directly transferred from RRSPs, RRIFs, TFSAs, or life insurance policies. A claim may also be made for any carried-forward donations from the previous five years that were not claimed, to a maximum of 100% of your net income. Any excess can be claimed on the tax return for the previous year, again to a maximum of 100% of your net income for that year.

This can get tricky to calculate, because as assets fluctuate, and not many of us know in advance when we will pass away. How can you effectively tax plan so that your estate pays the least amount of taxes possible? It is a crucial step to speak and plan with your financial planner to ensure you get the best tax breaks!

Here is an example of an effective clause: I direct my Trustees to determine the income tax payable by my estate at the time of my death- the Final T1 Tax return- and to further determine the income tax owed or paid in the year immediately preceding my death; I further direct my Trustees to pay in equal shares to a total of the above calculated amount to the following charities (charities' legal names are inserted here) in order to reduce my Final T1 Tax return to nil and ensure that tax owed or paid in my previous year's return is nil and the taxes previously paid are refunded to my estate.

Imagine if every Canadian put a clause in their Will like this? Can you imagine the impact on our Society and the effort to defeat dementia? Isn't that what being a **SUPER HERO** is all about?

Giving to your favourite charities through your estate can change the world significantly while ensuring that your loved ones are taken care of.

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TAX REBATE!

| | |
|--|-----------------|
| Our SUPER HERO gives a charitable Will bequest totalling = | \$ 200,000 |
| Tax payable—Final year: | |
| Our SUPER HERO'S net income in year of his death = | \$ 175,000 |
| Minus: Tax credit for donation (100% x \$175,000 net income) = | \$ 175,000 |
| Tax payable = | \$ 0 |
| Previous year: | |
| Our SUPER HERO'S net income in year previous to death = | \$ 70,000 |
| Tax paid in previous year = (assuming 35% rate x \$70,000) = | \$ 24,500 |
| Donation carried back to previous year ((\$200,000 bequest - \$175,000 tax credit used in final year) = | \$ 25,000 |
| Taxable income = \$70,000 - \$25,000 donation = | \$ 45,000 |
| Tax payable (assuming 35% rate x \$45,000) = | \$ 15,750 |
| Taxes rebated to estate (\$24,500 - \$15,750) = | \$ 8,750 |
| Benefits: | |
| • The income tax for the year of death has been eliminated. The income tax for the previous year which has already been paid is reduced and rebated. | |

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Charitable Bequest Language

Specific, unrestricted:

I give, devise and bequeath to the Alzheimer Society Southwest Partners the sum of \$ _____ to be used for any purpose(s) approved by the Board of Directors of the Alzheimer Society Southwest Partners.

Specific, restricted with escape clause:

I give, devise and bequeath to the Alzheimer Society Southwest Partners the sum of \$ _____ to be used for the following purpose(s) _____. If the Alzheimer Society Southwest Partners is unable to apply all or part of these funds for the specific purpose(s) stated herein, the balance of this bequest not so extended may be used for any purpose approved by the Board of Directors of the Alzheimer Society Southwest Partners.

General % unrestricted:

I give, devise and bequeath to the Alzheimer Society Southwest Partners _____ % of the residue of my estate to be used for any purpose(s) approved by the Board of Directors of the Alzheimer Society Southwest Partners.

General %, restricted with escape clause:

I give, devise and bequeath to the Alzheimer Society Southwest Partners, _____ % of my estate to be used for the following purpose(s) _____. If the Alzheimer Society Southwest Partners is unable to apply all or part of these funds for the specific purpose(s) stated herein, the balance of this bequest not so extended may be used for any purpose(s) approved by the Board of Directors of the Alzheimer Society Southwest Partners.

Residual contingent trust:

Upon the death of the survivor of my (wife, husband, daughter, son etc.) here named, _____, I direct my trustee to transfer and deliver the balance of the residue of my Estate, including any undistributed income to the Alzheimer Society of Waterloo Wellington to be used for any purpose(s) approved by the Board of Directors of the Alzheimer Society Southwest Partners.

Charitable Clause with instructions to Trustee/Executor re: capital gains elimination:

I give, devise and bequeath an undetermined amount of my estate to be divided equally to the list of charities that I supported in my lifetime. See Letter of Direction attached for list. These charities shall receive assets such as publicly traded securities and mutual funds in order to reduce the capital gains owing against my estate. I further instruct my Trustee to calculate the amount of such donations to negate any capital gains owing within the rules and regulations determined by the Canada Revenue Agency.