

ESTATE GIFTS IN YOUR WILL

What is an “Estate Gift”? It is a gift made after you pass away, such as through your will, or the proceeds of life insurance, or retirement plans. It is also known as a testamentary gift, and falls under the umbrella term Planned Gift (meaning you planned to make the gift while still living).

It has been said that a will is the final expression of a person’s values. A document of such importance deserves careful preparation to achieve its author’s objectives. And it takes careful planning to achieve optimum benefits from the assets of an estate. Many factors affect the creation of an effective will. Perhaps the most important benefit of creating a valid will is the opportunity to specify how you wish your assets to be distributed. Your wishes are unique, and only through a valid will can you be assured that your wishes will be carried out.

Each year, thousands of individuals, exercising their privilege to determine the final distribution of their estates, designate that a portion of their assets be used for the benefit and support of Canada’s charitable organizations, just like TB Vets. Why would a donor consider making an estate gift to TB Vets? First of all, it could be purely for philanthropic reasons. You may want to make a significant gift to TB Vets, but could not afford to give up the cash or asset during your lifetime. Secondly, you might want to reduce the size of your estate. This is achieved by triggering a charitable donation in the year of your death, which can represent a significant reduction in the taxes payable in the estate.

Gifts by will can be tailored to meet your own specific personal and financial objectives. Consider these possibilities:

1. A **general bequest** is for a certain dollar amount of property, usually cash: “I give to TB Vets the sum of \$25,000 to be used for its general purposes.”
2. A **specific bequest** directs that TB Vets is to receive a specific piece of property: “I give.....500 shares of xyz Stock.....”
3. A **residual bequest** designates all or a portion of whatever remains after all debts, taxes, expenses and other bequests have been paid: “I give....fifty percent (50%) of the rest, residue and remainder of my estate....”
4. A **contingent bequest** takes effect only under certain conditions: “In the event that my wife does not survive me, I give to TB Vets the sum of.....”
5. A **restricted bequest** could specify that the principal of the bequest is to be held as an **endowment**, and perhaps as a **named endowment** in their name or as a memorial to another.

Let TB Vets be of help to you. Rhona Konnelly can also provide you with some helpful information on how to make a will and sample bequest language appropriate to meet your intended wishes. It may not even be necessary to change your whole will to make such a charitable bequest, but rather to add a “codicil” to your existing will, thereby making a change less costly.

Your will is a very powerful instrument. If it is thoughtfully prepared and carefully drafted, it can provide peace of mind for both you and your beneficiaries.

Next Issue: “Gift Annuities Revisited.....Gifts that Give Back”

The information provided above is just one of the many ways you can provide a significant gift to your favourite charity. Please talk with a professional advisor to see what options are best for you.