



# WHAT IF YOUR LEGACY COULD SHAPE THE FUTURE OF PEDIATRIC CARE?

**What if your legacy was transformational for families and meant advancements in childhood research that have never before been seen—and even the creation of the newest pediatric care technology that has yet to exist?**

Today, you have many popular options to choose from. You can leave a legacy gift through a TFSA, RRSP, RRIF, Life Insurance, Pension, Property and more. By choosing one or more of these ways, you're ensuring that your values live on well beyond your lifetime—and are changing lives in the process.

## **Start with the conversation**

The Gift and Estate Planning team at BC Children's Hospital Foundation is available for an unbiased conversation to help you determine which legacy giving options could suit you and your family best. And to get you started, we've highlighted a selection of benefits each one can bring you, along with several insider tips. Ultimately, we recommend discussing these options with a trusted advisor.

Read on to discover the ways of giving that are right for you.

# DIFFERENT WAYS OF GIVING

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## RRSP/RRIF

**ADVANTAGES:** Registered Retirement Savings Plans (RRSP) and Registered Retirement Income Funds (RRIF) make ideal donations and can benefit your estate in three ways:

- > By naming a charity of choice such as BC Children's Hospital Foundation as a beneficiary of your RRSP or RRIF, you will avoid paying probate fees on those assets, as your gift would be made directly and not within the administration of your estate.
- > Your gift to your charity would typically be distributed more quickly by the financial institution.
- > The tax receipt issued can offset taxes owed on other assets within your estate.

**TAX TIP:** The total value of your registered retirement accounts must be reported as income in your final tax return. Your estate pays the taxes due, so ensure sufficient planning will balance net gift amounts among beneficiaries.

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**TFSA ADVANTAGES:** By naming BC Children's Hospital Foundation as the beneficiary of your Tax-Free Savings Account (TFSA), your estate will receive a charitable tax receipt for the gift at the time the proceeds are received by us—and can lower any taxes payable in your estate.

- > Your gift would be received by your intended beneficiary directly, and would not be part of other assets administered under the Will. In BC, this means family members may not challenge your gift.

**TAX TIP:** TFSA proceeds aren't taxable in your estate either.

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## PENSION

**ADVANTAGES:** You can name BC Children's Hospital Foundation as a direct beneficiary of the proceeds of your registered pension plan.

- > The resulting donation credit may be used to offset any taxes payable on the redemption of the proceeds or other income, benefiting your estate.
- > Designated pension proceeds would not form part of your estate, and your gift would make its positive impact quickly.

**TAX TIP:** Be sure to complete your pension plan's official beneficiary form to name your charities, or your proceeds will be paid to your estate and attract probate. Any taxes on proceeds included in your final return will be payable by your estate, so ensure you plan funds to cover the taxes and balance the gift amounts among other beneficiaries.

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## LIFE INSURANCE

**ADVANTAGES:** Giving life insurance is a way of making a legacy gift without depleting your estate or depriving your loved ones of other assets.

- > Designating all or a portion of your life insurance policy to BC Children's Hospital Foundation will provide your estate with a tax receipt to offset other income taxes.
- > Your life insurance policy proceeds that are designated will not attract probate or executor fees, nor may creditors or family members seek these funds.
- > Certain insurance policies may be donated and you may receive some tax benefits during your lifetime, such as any value in the policy at the time it is donated, and premiums paid subsequently.\*

**TAX TIP:** If your life insurance policy is not designated to an individual or a charity as beneficiary, or you have chosen your estate as beneficiary, it will form part of the estate assets and consequently be subject to probate and administration fees.

**\*Insurance policies proposed for donation are evaluated individually given the variability in how policies might be structured. Our Foundation may respectfully decline a policy we are unable to sustain.**

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**HOUSE ADVANTAGES:** Should your house meet all the requirements of a principal residence, it will be exempt from capital gains taxes payable. Your house may be gifted specifically in your Will. If you prefer your executor to manage the sale of your house with all other assets, you may like to indicate that the value of the sale is gifted, or simply provide for your charity to be the residual beneficiary of your overall estate.

- > A charitable tax receipt for your house would provide a significant reduction to any taxes payable.
- > The gift of your house, or its proceeds, is a substantial gift which would make a significant difference to the needs of our hospital.

**TOP TIP:** You may like to gift your residence in lifetime and still enjoy living in it—please contact us to discuss this option that provides you a significant tax benefit plus the security of knowing your home is still home.

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**CABIN ADVANTAGES:** If you donate your cabin to BC Children's Hospital Foundation, you can reduce the capital gains taxes payable arising from the deemed disposition to you by applying your charitable tax receipt.

- > Donating a cabin that is no longer used can avoid inconvenience that on-going maintenance brings.
- > Children may want less or more involvement with a family cabin, and the best solution for family relationships may be to gift the property—this may be best in lifetime or as part of your estate.

**TAX TIP:** Appreciation in value of a second property is subject to capital gains tax—your accountant can calculate which years to apply your principal residence deduction to, either your cabin or your home, for maximum protection from capital gains tax.

## **INTERESTED IN LEARNING MORE ABOUT YOUR OPTIONS?**

Contact us anytime and we'd be happy to chat with you.

We also encourage you to keep your eyes out for more useful information  
as we continue our series about legacy giving in the coming months.

If you have missed the two previous editions, please contact us for more details.



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