



Talking to your advisor about a donation in your Will?

Bring this Fact Sheet

You're planning to leave a donation in your Will to CMHA Waterloo Wellington, nice work! Now did you know that there are some tax benefits you might want to consider?

Canada has some of the most generous tax incentives for charitable giving in the world! A lawyer, notary and/or financial advisor can help make sure you're taking full advantage. It's a win for you, your family, and the causes that matter to you.

Will Power has assembled this handy factsheet to start the conversation:

1) Share your intentions

In order to create a rock solid strategy, start by sharing your goals with your advisor. Why do you want to leave a gift in your Will? What kind of impact do you want to have? Which charity(ies) are you thinking of?

Get an approximate idea of the percentage of your estate that should go to family, and then how much to charity. You can use the Will Power legacy calculator to help.

2) Narrow in on your numbers

With your assets and liabilities in hand, your advisor can estimate the future value of your estate, and how much might be owed in taxes.

3) Explore the different ways to give

It's likely that your estate will receive a significant tax bill the year that you pass.

A donation in your Will results in a tax credit that can significantly reduce what your heirs will have to pay the CRA from your estate.

Your advisor can help choose which of your assets to donate from, so that you get the biggest tax credit possible. Here's a short list to consider:

A gift of cash

You can designate a specific dollar amount, or percentage of the net residue of your estate to charity. This is called a 'bequest' and is the most common way to leave a gift in your Will.



Canadian Mental
Health Association
Waterloo Wellington



A gift of securities

If you own publicly listed securities that have increased in value, donating them to charity can have a double tax benefit - you get the donation tax credit PLUS you eliminate the capital gains you'd normally have to pay on that stock.

Registered funds like RRSPs, RRIFs, or TFSAs

Naming a charity as one of the beneficiaries of your RRSP, RRIF, or TFSA could also be a wise choice. These assets will be highly taxed. By donating the residue of your registered funds to charity, you could eliminate the taxes you'd have to pay on them anyway.

This happens to be one of the easiest and most flexible ways to give too. It's as simple as filling out your fund provider's beneficiary form, which you can update any time.

Please note: In Quebec, you must name a charity as a beneficiary of your registered funds through your Will. It cannot be done on a beneficiary form.

A gift of life insurance

Similarly, you can name a charity as a beneficiary of your life insurance policy. You might have one through work, or one you purchased yourself for example. It's a way to make a BIG donation, for a fraction of the cost...and you get that credit to help pay down taxes that will be owed by your estate.

If you don't have a life insurance policy, speak to your advisor about purchasing one and transferring it to a charity. When you transfer ownership, the premium you pay is treated as a donation now and you will receive a credit to apply against your current tax bill.

4) How do you want your future gift to live on?

Would you like your donation to be used all at once by your charity(ies), so that you can make a serious dent in a high priority issue? Or maybe you'd like to invest your gift in an endowment, so your children and grandchildren can use the annual interest to make donations, and continue on with your legacy.

Speak to your favorite charities to see what your options are, and talk it over with your advisor.



Remember, you don't need to be an expert in charitable gift planning. That's what the professionals are for! Work with your advisor, or find one that specializes in charitable planning at willpower.ca.