

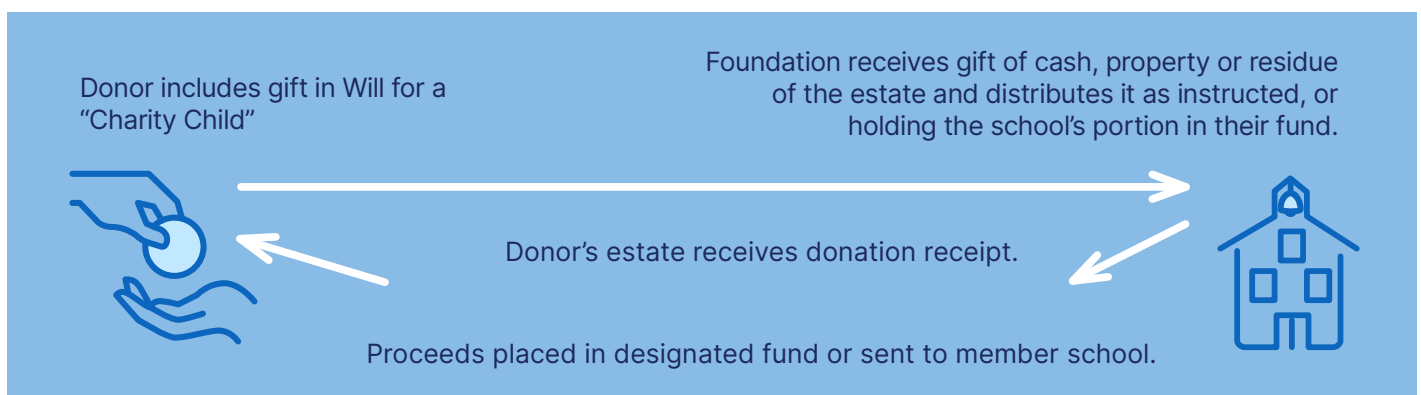
Gifts in the Will – Charity Child

A gift in your Will is the most common way to arrange a gift today which will last into the future. This gift could include a specific dollar amount, real estate, life insurance or other property. Often it is a percentage of the total estate value or a residual amount of the estate after you've met your other obligations.

A unique way to incorporate such a gift is to 'adopt' an additional child through your Will, called the Charity Child. This means you would give a child's share of your estate to a charity such as the Christian School Foundation for the benefit of Christian education generally, or for the schools of your choice.

Benefits and Features of a Charity Child Gift

- + You can give cash, stock, property, etc.
- + Special tax incentives are available for gifts of appreciated property
- + Your gift will be easy to arrange
- + Your gift remains subject to probate when gifted in your Will
- + You don't need to give now; the Foundation receives the gift only upon your death
- + Your contribution to expanding Christ's influence through Christian schools will continue for as long as you prescribe.



Other Considerations

Just as your children might receive different gifts, depending on their circumstances, you may designate that your Charity Child is to receive a portion of your estate that is equal to, greater or less than your other "real" children. This decision is often influenced by the number of other children involved and their circumstances.

If desired, these proportions can also be adjusted each time your Will is reviewed and updated (every 3 to 5 years). In many instances, the eventual donation receipt to your estate that is generated by this gift can offset estate taxes owing. This consideration often allows the heirs to receive nearly as much as if there had not been a charitable gift included in the Will, because it will shift tax dollars towards the support of a cause you love.

For many individuals and couples, adopting a child called Charity is the best way to begin a planned giving commitment. Many Christian school supporters also wish to support other ministries or kingdom causes, and a Charity Child gift is a simple way to do so. The Charity Child's portion can be divided in any way you prefer, and is easily changed without incurring legal fees using our Gift Direction Form. We can show you how this can be a straightforward way to accomplish your gifting priorities.

What are the Tax Incentives?

When you die, you are deemed to have disposed of everything you owned a moment before death. Fifty percent of any capital gains on appreciated assets or investments, with the exception of your principal residence, is considered taxable income -with special rules in place for farm properties. In addition, where there is no longer a spousal beneficiary for RRSP or RRIF investments, the entire value of your registered funds becomes taxable income at death. In most cases, these carry considerable tax implications, as even those individuals with a modest RRSP or RRIF portfolio will likely end up in the highest tax bracket.

When a donation from your estate is received, the Foundation issues a donation receipt for the full amount of the gift. Your estate can use this donation receipt to offset taxes owing from the current and previous tax year. Charitable bequests essentially redirect money that might have gone to the government to the causes you care about and can be made with minimal impact on the other beneficiaries included in your Will.

An example of a charitable gift in your Will:

- + Four children as sole beneficiaries
- + Estate value of \$1,000,000 with \$200,000 in taxable RRSP's

Will with no Charity Child

Gift to charity: \$0
Income tax payable: \$100,000
Gift to each child: \$225,000

**All values in this example are approximated.*

Will with a Charity Child

Gift to charity \$200,000
Income tax payable: \$0
Gift to each child: \$200,000

Before acting, it is advisable to thoroughly review your options. There are several ways to structure such a gift. In some cases, a tax and legal advisor should be consulted.

We can assist you in accomplishing your generous donation.
Please contact Kevin teBrake at the Christian School Foundation
ktebrake@christianschoolfoundation.ca.