



## Huron House Boys' Home Planned Giving Resource

Below is an outline of several different types of planned gifts, how they could benefit your or your estate, and what the benefits would be to Huron House. There are many types of planned gifts, and if you would like to donate funds or an asset that isn't included in this document, or speak more about one of the options here please get in touch with us at 519-869-4000 or email [hvallinga@hbbh.ca](mailto:hvallinga@hbbh.ca). We also highly recommend you connect with a professional advisor for their guidance, whether a financial or legal professional.

Type of Gift	Benefits to Donor	Benefits to Huron House
<p><b>Life Insurance Policy</b></p> <p>In the case of an existing policy, ownership is transferred by filling out a form from the insurance company. If the policy is purchased with the express purpose of making a gift, the charity can be named as owner in the initial application.</p>	<ul style="list-style-type: none"> <li>• Donation receipt for each premium paid. The receipt may be issued whether the donor pays the premium directly to the company or contributes the premium amount to the charity which, in turn, pays the insurance company.</li> <li>• Donor leverages modest, current gifts into a large future sum.</li> </ul> <p><b>The Canadian Association of Gift Planners has a <a href="#">great resource</a> for those considering giving a gift of life insurance.</b></p>	<ul style="list-style-type: none"> <li>• Ordinarily the charity will retain the policy for the life of the insured and then collect the death proceeds, though it could surrender the policy and use the cash value for current needs.</li> </ul>
<p><b>Gift of real estate</b></p> <p>Donate a property, whether your primary residence, or another that you own.</p>	<ul style="list-style-type: none"> <li>• Donation receipt for fair market value as determined by a qualified appraisal.</li> <li>• If the gift is the donor's principal residence, the capital gain is not taxed. For other real estate 50 percent of the gain is taxable but the tax credit will exceed the tax on the gain, resulting in net tax savings.</li> </ul>	<ul style="list-style-type: none"> <li>• Unless the property is usable by the charity, it would be sold and the proceeds used for purposes designated by the donor.</li> <li>• The charity is not taxed on the capital gain when the property is sold because the charity is tax-exempt.</li> </ul>

<p><b>Gift of Securities</b></p> <p>Securities include stocks, bonds, bills, warrants, and futures traded on approved stock exchanges in Canada and certain other countries. They also include mutual funds.</p>	<ul style="list-style-type: none"> <li>• Donation receipt for fair market value on the date of the gift, which, in the case of securities electronically transferred, is the date they are received into the charity's account and, in the case of securities transferred by certificate with a stock or bond power, is the date the certificate and power are hand delivered or posted.</li> <li>• The donor is not taxed on the gain. If the securities were sold by the donor, 50 percent of the gain would be taxable.</li> </ul> <p>You can donate securities easily through <a href="#">CanadaHelps</a>.</p>	<ul style="list-style-type: none"> <li>• Listed securities can be sold and converted to cash.</li> <li>• The charity, being tax-exempt, is not taxed on the capital gain.</li> </ul>
<p><b>Gift of Unused Registered Savings (RRSP, RRIF)</b></p> <p>Indicate Huron House as the beneficiary for all or a percentage of any un-used portions of your RRSP or RRIF with no costs to your estate. Just obtain a change of beneficiary form from the plan administrator and name Huron House as beneficiary of all or a percentage of the account.</p>	<ul style="list-style-type: none"> <li>• The donor retains full access to retirement funds during life.</li> <li>• Because the tax credit offsets the tax on the distribution, the entire amount passes to charity tax free.</li> <li>• The gift is very simple to arrange.</li> </ul>	<ul style="list-style-type: none"> <li>• The funds can be used immediately.</li> <li>• The donation can be significant, especially if the owner has been withdrawing only the minimum required amount.</li> </ul>
<p><b>Charitable Remainder Trust</b></p> <p>The donor creates a trust funded with cash, securities, or real estate, making an irrevocable gift of the remainder (or "residual") interest to Huron House and retaining the income interest for the life of the donor and/or other beneficiaries, or for a period of years.</p>	<ul style="list-style-type: none"> <li>• Donation receipt for the present value of the remainder interest.</li> <li>• Transfer of appreciated property to the trust is a deemed disposition, and the donor will be taxed on 50% (the includible percentage) of the gain.</li> <li>• Donor retains the income generated by the property.</li> <li>• Donation is not subject to probate.</li> </ul>	<ul style="list-style-type: none"> <li>• Although the charity's use of the assets is deferred until the termination of the trust, it can count on receiving them because the gift is irrevocable.</li> <li>• The charity will not be taxed on any capital gain, whether the property is sold by the trust or eventually distributed to and then sold by the charity.</li> </ul>

<p><b>Residual Interest</b></p> <p>A gift of a residual interest in property is similar to a charitable remainder trust. A residual interest in real estate can be given through a deed registered in the name of the charity showing the life interest, in favour of the donor, subject to provincial rules. An alternative is for the donor to execute a trust agreement and transfer the title to the property to the trustee.</p>	<ul style="list-style-type: none"> <li>• Donation receipt for the present value of the residual interest.</li> <li>• If the donor retains use of appreciated property, the donor recognizes only the capital gain attributable to the residual interest.</li> <li>• The gift has no impact on the donor’s lifestyle, for the donor continues to possess and enjoy the property. A married donor could retain use not only for his or her lifetime but also for the lifetime of a surviving spouse. Alternatively, the use of the property could be retained for a certain period of time rather than for the lifetime of a donor or a donor and spouse.</li> <li>• The gift is not subject to probate because it is distributed under the terms of the trust agreement, not the donor’s will.</li> </ul>	<ul style="list-style-type: none"> <li>• The charity’s benefit from the property is delayed but assured, since the gift is irrevocable.</li> <li>• When the charity gains possession, it may use or preserve the property, or sell it and use the proceeds – the more usual procedure.</li> <li>• Whether the charity retains or sells the property, it will not be taxed on any of the capital gain.</li> </ul>
<p><b>Gift in a Will (Bequest)</b></p> <p>Probably most people’s first thought when they hear “legacy” or “planned gift. It can be for a specific amount, a percentage of your estate or the residual of your estate, and designated for a purpose of your choosing or for Huron House’s greatest need.</p> <p><b>See attached appendix for sample bequest language.</b></p>	<ul style="list-style-type: none"> <li>• The donor retains full control of contributed property for the duration of their life and can make changes at any time.</li> <li>• Donation receipt for the amount of cash or the fair market value of the property given to the charity. This may result in a tax credit on the donor’s final income tax return or on the return of the donor’s estate.</li> <li>• If listed securities are designated for the charity, or if the executor is empowered to select the assets to satisfy a charitable bequest and selects listed securities – none of the gain in these assets will be taxed on the donor’s final return.</li> </ul> <p><b><a href="#">This legacy calculator</a> is a great resource that shows how your assets can make more of a charitable impact than you might think.</b></p>	<ul style="list-style-type: none"> <li>• Bequests tend to be larger than gifts that donors are able to give in their lifetime.</li> <li>• Many have relatively few restrictions</li> <li>• Most can be put to use immediately upon receipt</li> </ul>

## Appendix - Sample Bequest Language

Your lawyer may have their own wording preference, but here are some examples of language that can be included in a Will depending on the type of gift.

### 1. General Bequest

"I give, devise and bequeath to Huron House Boys' Home, the sum of \$\_\_\_\_\_ (or a description of a specific asset) for the benefit of Huron House Boys' Home and its general purpose."

### 2. Specific Bequest

"I give, devise and bequeath to Huron House Boys' Home, the sum of \$\_\_\_\_\_ (or a description of a specific asset) for the benefit of Huron House Boys' Home to be used for the following purpose: (state the purpose). If at any time in the judgment of the Board of Directors it is impossible or impracticable to carry out exactly the designated purpose they shall determine an alternative purpose closest to the designated purpose."

### 3. Residuary Bequest

*The charity is given all or a percentage of what remains of the estate after paying debts, taxes, expenses, and other bequests.*

"All (or a specific % of) the rest, residue and remainder of my estate, both real and personal, I give to Huron House Boys' Home for its general purpose."

### 4. Contingent Bequest

*This gift takes place only if the Testator is not survived by certain individuals.*

"If (name/s of primary beneficiary/ies) do/es not survive me, or shall die within ninety (90) days from the date of my death, I give Huron House Boys' Home (describe amount of cash, property, or percentage of residual estate)... for its general purpose."