



# Planned Giving Bulletin

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## Charitable Bequests

Planned giving, as the name suggests, is a well-thought-out approach where you donate some of your assets to support a charitable organization. A Charitable Bequest is probably one of the simplest forms of a planned gift to arrange. A charitable bequest is gift established in a person's last Will and Testament. It can be in the form of specific amounts of cash, shares, real estate or other property, but most often a charitable bequest is simply a percentage of the donor's estate value after the debts and family needs have been met. Usually, a charitable bequest is paid out upon a 'second-to-die' scenario.

### Why include a Charitable Bequest in your Will

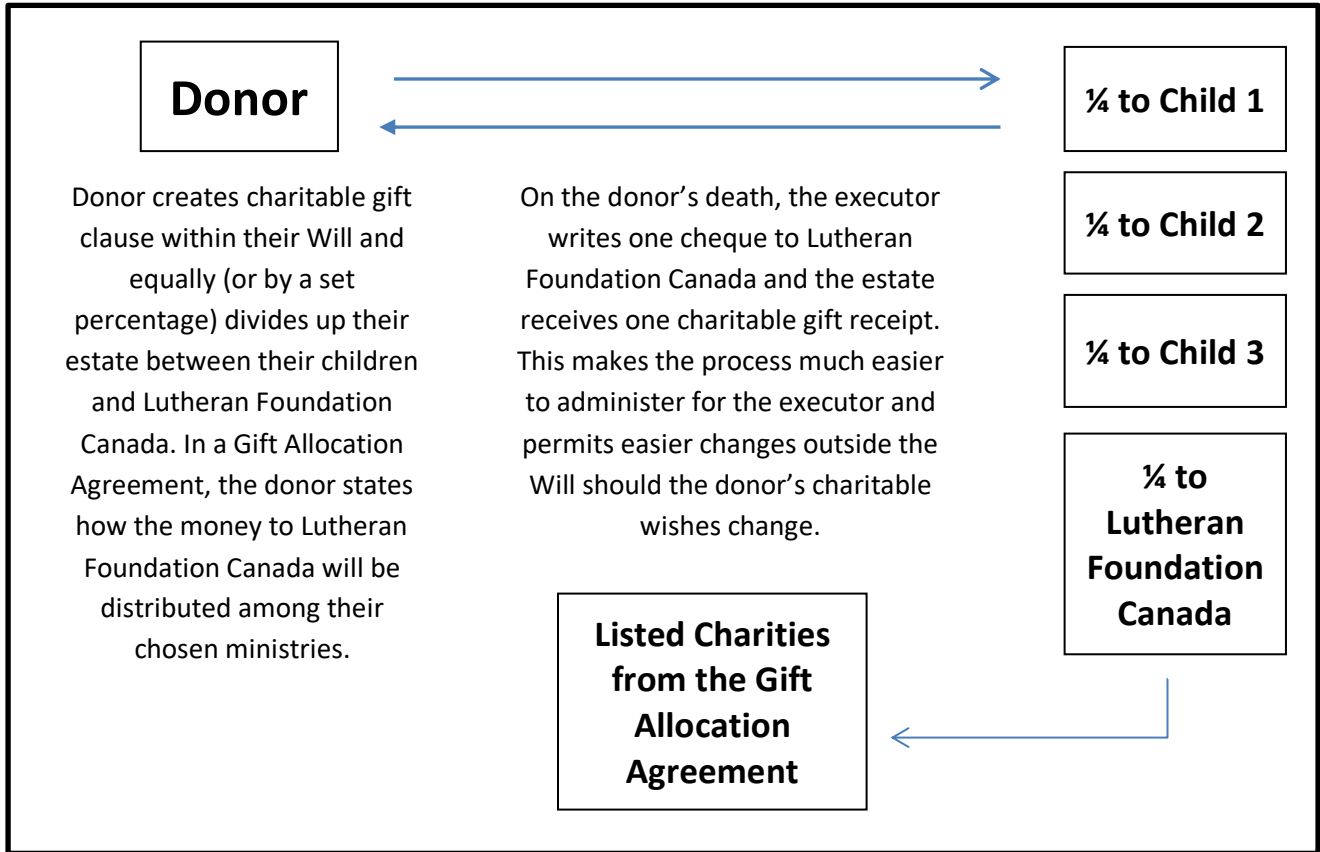
- Gives you satisfaction that you can support a ministry even when you are no longer here
- Provides much needed resources to the ministries you are passionate about
- Creates a tax credit for your estate thus reducing the amount owed in taxes
- Simple to arrange and easy for your executor to administer
- Doesn't impact your current income or lifestyle
- Allows you to direct funds to your charities rather than give tax money to the government

### A Child Called Charity

A "Child Called Charity" is a way of thinking whereby your estate is equally divided between the number of your children.... plus one. It's as though you've added one child to your family, but that child is a charity, like Lutheran Foundation Canada. If you choose to name the Foundation as the beneficiary, we jointly sign a Gift Allocation Agreement outlining your instructions as to how the charitable gift will be distributed.

Sometimes, over the course of your life, you may decide to change the charities you want to support. By implementing a "Child Called Charity" along with a "Gift Allocation Agreement", kept on file at Lutheran Foundation Canada, you can easily make changes without having to change your actual Will. This can also enable you to make your gifts anonymously if you so choose. Lutheran Foundation Canada will take care of distributing the gift at no cost to your estate, making your executor's job much easier.

# Charitable Bequests ...continued



## Example

Fred and Dorothy Kind have 3 children. Their total estate is worth \$400,000 including \$100,000 in RSPs. They are passionate about various LCC ministries and want to be able to support them within their will once they both die.

Estate Plan without Charitable Gift		Estate Plan with Charitable Gift	
Income Tax Payable	\$50,000	Income Tax Payable	\$0
Amount to Charity	\$0	Amount to Charity	\$100,000
Amount to each Child	\$116,667	Amount to each Child	\$100,000

By setting up a charitable bequest in their Wills, and dividing the estate equally between their children and Lutheran Foundation Canada, Fred and Dorothy provided a significant gift for the Lord's work, while at the same time reducing the amount to each child by only \$16,000. Their children still received a great blessing and the ministries identified in their Gift Allocation Agreement were overjoyed.