

# Planned Giving Bulletin

---

## Charitable Bequests

Planned Giving, as the name suggests, is a well-thought-out approach to donate a portion of your estate to support charitable organizations. A Charitable Bequest is probably one of the simplest forms of a planned gift to arrange, as outlined 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 residual, after all debts and family needs have been met. Most often, charitable bequests are made from the 'second-to-die' when a person is in a marital relationship.

### Why include a Charitable Bequest in your Will

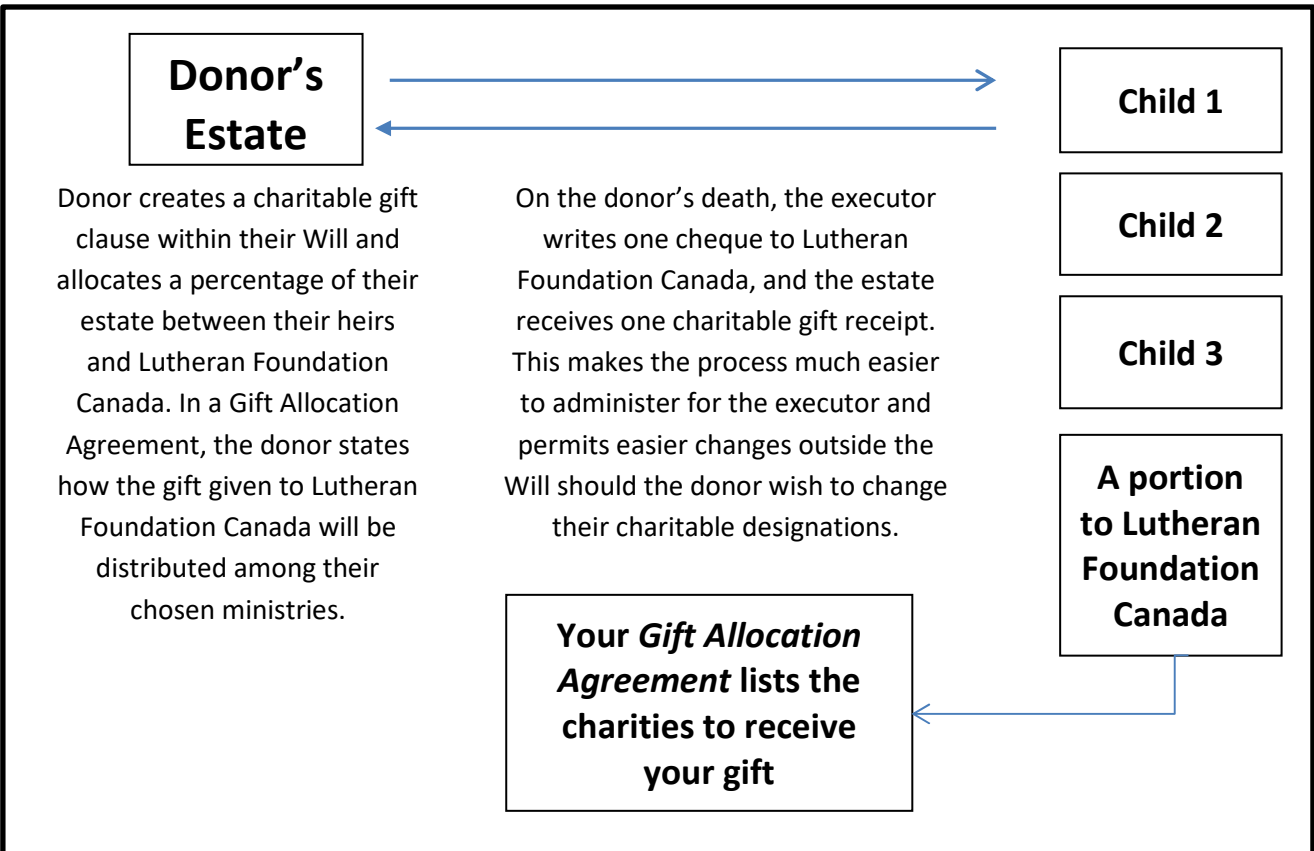
- Provides much needed resources to the ministries you are passionate about
- Allows for a much larger gift, designated as a portion of all that you own at the time of your passing
- Has no impact, whatsoever, on your financial needs or lifestyle while you are living
- Allows you to continue supporting those ministries for which you have a passion, after you are gone
- Often 45% of the gift is offset due to the charitable receipt reducing taxes owed by the estate

### A Child Called Charity

A "Child Called Charity" is a way of thinking whereby your estate is 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. If the Foundation is named as the beneficiary, we would jointly sign a *Gift Allocation Agreement* outlining your instructions as to how that charitable gift should be distributed by us.

By using the Foundation's "Gift Allocation Agreement", kept on file at our office, you can easily make changes to the named beneficiaries or the amounts given without having to incur the cost of changing your actual Will. As the Foundation makes the disbursements on behalf of your estate, the executor's work is greatly simplified as they only need communicate with one beneficiary – the Foundation. For those who prefer privacy, only the Foundation would receive a copy of your Will, and not the beneficiaries named in the Gift Allocation Agreement. Lastly, the Gift Allocation Agreement allows gifts to be given anonymously, if you so choose.

# Charitable Bequests ...continued



**Example**  
*Fred and Dorothy 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 support them within their Will once they both die.*

Estate Plan without Charitable Gift		Estate Plan with Charitable Gift	
Income Tax Payable	\$45,000 on RSP only	Income Tax Payable	\$0
Amount to Charity	\$0	Amount to Charity	\$100,000
Amount to each Child	Approximately \$118,000	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 only reducing the amount given to each child by \$18,000. Their children still receive a great blessing and the ministries identified in their Gift Allocation Agreement were overjoyed with the gifts they received.*