WILL POWER
Support a charity in your Will

Guide: Talking to Your Advisor About a Charitable Gift in Your Will

You want to leave a charitable gift in your Will to advance the causes you care about. Taxes are likely the last thing on your mind. But you may be surprised to learn that Canada has some of the most generous tax incentives for charitable giving in the world.

Once you make the decision to leave a gift in your Will, speak to your estate advisor about how you can best take advantage of Canada's generous incentives. To help, we've assembled this handy guide to navigating the conversation.

1. Start by sharing your intentions

In order to create a rock solid strategy for charitable giving in your estate, start by sharing your intentions with your advisor. Why do you want to leave a gift in your estate? What kind of impact do you want it to have? What types of charities are you thinking of including? You can start your research right here. And what would you like the approximate size of your gift to be? You can use the Will Power legacy calculator to help.

2. Narrow in on your numbers

Work with your advisor to better estimate the future value of your estate, and how much of that would you like to leave to your loved ones and then how much to charity.

3. Explore the different ways to leave a gift in your estate

Your estate is likely to receive a significant tax bill when you pass. Choosing to make a charitable gift in your Will results in a donation receipt that can significantly reduce taxes owed. Discuss with your advisor which of your estate's assets might be most efficient to give.

Here is a short list to consider:

A gift of cash. You may choose to designate a specific dollar amount, or percentage of the residue of your estate to give to charity. This is called a 'bequest' and is the most common way to leave a gift in your estate.

A gift of securities. If you own publicly listed securities, donating them to charity can have significant tax advantages. Your estate will receive a greater tax benefit – a donation receipt to help reduce taxes owed, plus the elimination of taxes you would normally have to pay on capital gains.

Registered funds like RRSPs, RRIFs, or TFSAs. You may choose to donate whatever is left over from your RRSP, RRIF, or TFSA to charity. Naming charities as the beneficiary of your registered funds is one of the easiest and most flexible ways to give. It's as simple as filling out your fund provider's beneficiary form, which you can update any time.

A gift of life insurance. You can name charities as the beneficiary of your life insurance policy. If you do not have a current life insurance policy, you might consider purchasing one and transferring its ownership to a charity. When you transfer ownership, the premium payment is treated as a donation and you will receive an immediate donation receipt to apply against your current tax bill.

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

Talk to your advisor about how you want your gift to take shape. For example, would you like to get your family involved? By investing your gift in an endowment, your children and grandchildren can use the annual interest generated to make gifts to their favourite charities. Research your chosen charities to see if they have an endowment or explore the option of a Donor Advised Fund at a Community Foundation and many banks. Or, finally, would you like to donate your gift all at once to your chosen charities so that you can substantially advance the causes you care about?

These are just some of the opportunities you might consider. There are many other gift planning options available. The Canadian Association of Gift Planners, a national association that inspires and educates the charitable fundraisers and professional advisors involved in gift planning, can help.

Contact Paul Nazareth at pnazareth@cagp-acpdp.org with any questions.