

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 financial 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 with our [charity database](#). 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 net 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.

Please note: In Quebec, you must name a charity as a beneficiary of your registered funds through your Will. It cannot be done on a beneficiary form.

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 you pay is treated as a donation and you will receive a donation receipt now 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 financial institutions. 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. Speak to your advisor about how best to maximize your giving.

If you don't have a financial advisor you can use our [Find a Financial Advisor](#) section to find one.

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