

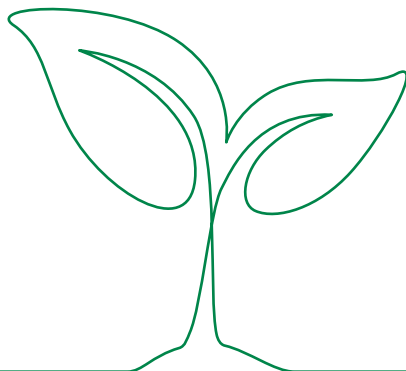
A Guide to Planned Giving

Leaving a legacy using your gifts



Discover the many ways that
you can support ministry,
now and through your estate.

presbyterian.ca/planned-giving



Leave a Legacy

Many faithful Presbyterians have left a legacy by giving a gift to the church over and above their weekly offering. An intentionally planned legacy gift can be a powerful support for God's church now and in the future.

Gifts of Cash **4-5**

Cash is a simple and effective way of supporting mission and ministry. Understanding the tax benefits of giving can help you give more than you think.

Gifts of Publicly Traded Securities **6-7**

When you transfer publicly traded securities to a registered charity, you not only receive a charitable tax receipt based on the full market value of the securities, you also don't pay tax on the securities' capital gains.

Charitable Bequests **8-9**

A charitable bequest is a direction in your will that leaves a gift to charity. Discover how the assets in your estate can continue to share God's love while reducing the amount of tax your estate has to pay.

Charitable Gift Annuities **10-11**

If you are 60 years of age or older, The Presbyterian Church in Canada's gift annuities allow you to give to a PCC congregation or ministry, and receive a tax receipt and a guaranteed income for life.

You can give now and see the impact of your gift, or when you've passed away and no longer need the funds. Strategically planned gifts can have tax benefits you can use now or accrue to your estate later. There are many ways to leave a gift to your church and still pass resources onto family and friends.

Gifts of Life Insurance **12-13**

A gift of life insurance is an easy way to leave a significant gift to ministry for a modest cost. It can be a creative way to make a gift that you didn't think was possible.

Life Beneficiary Gifts **14**

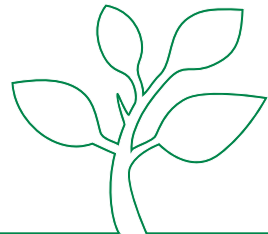
When you make your church one of the beneficiaries of your RRSP, RRIF, TFSA or life insurance policy, your gift isn't subject to probate fees or inheritance taxes.

Charitable Remainder Trusts **15**

By setting up a trust, you can ensure that the needs of a dependent child or spouse are provided for and also leave a gift to the church.

Gifts of Residual Interest **15**

Receive immediate tax benefits by giving a home or cottage (or a portion) to ministry now, while continuing to live in your home for the rest of your life.



Gifts of Cash



Giving a gift of cash is a simple and effective way to support mission and ministry.

Cash can be given toward the general offering or as a designated gift. You can use a numbered envelope, write a cheque, set-up an automatic monthly gift debited from your bank account (Pre-Authorized Remittance/PAR). You can send an e-Transfer, use the donate page on your church's website or place the gift in the offering plate. You will receive a charitable tax receipt for the full value of your gift, which can help reduce the taxes you pay.



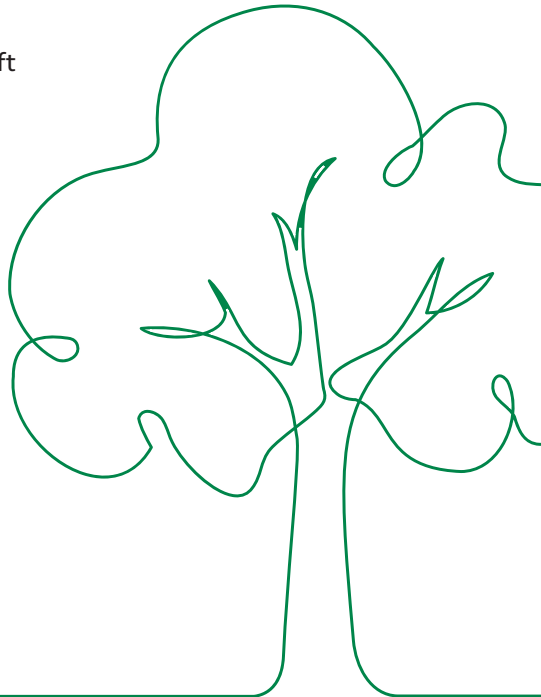
Each province has different rates of taxation. Savings are approximately 40% in Nunavut, Ontario and Yukon; 45% in Prince Edward Island, British Columbia, Manitoba, New Brunswick, Newfoundland & Labrador, Northwest Territories and Saskatchewan; and 50% in Alberta, Nova Scotia and Quebec.

Example

Gift & Receipt Amount	\$1,000	\$5,000	\$100,000
Federal credit (\$200 at 15%)	\$30	\$30	\$30
Balance at 29%	\$232	\$1,392	\$28,942
Ontario credit (\$200 at 5.05%)	\$10.10	\$10.10	\$10.10
Balance at 11.16%	\$89.28	\$535.68	\$11,137.68
Total tax savings	\$361.38	\$1,967.78	\$40,119.78
Tax savings as a % of the gift	36.1%	39.36%	40.12%
Cost of the gift	\$638.62	\$3,032.22	\$59,880.22

Benefits

- **Simple:** The church can use your gift immediately and you can see your gift at work.
- **Tax Effective:** Tax credits not used in one year can be used up to five years after the gift was made.



Gifts of Publicly Traded Securities

When you sell publicly traded securities, you are taxed on 50% of the capital gains. However, if you transfer the securities directly to charity as a gift-in-kind, you pay no tax on the capital gains and receive a donation tax receipt for their full market value. Giving shares, bonds, or mutual funds that have appreciated in value is a way to give more to the church in a way that costs you less. If you are making a bequest, include directions to use any appreciated securities in your estate to make the gift, saving taxes and preserving capital for your other beneficiaries.

Example

Albert and Susan have \$50,000 worth of shares that they originally bought for \$20,000. When they sell the shares, pay the capital gains tax and then donate the proceeds to their church it costs them \$30,174 to make a \$43,100 gift. However, when they transfer the shares as a gift-in-kind, they can give a larger gift because they don't have to pay capital gains taxes, so they give a larger gift and receive a larger tax refund, so it costs less to give more.

Compare two charitable gifts	Sells shares & Gives Cash	Transfers shares
1. Value of the shares/Cost to donor	\$50,000	\$50,000
2. Original purchase price	\$20,000	\$20,000
3. Capital gain	\$30,000	\$30,000
4. Taxable gain (line 3 x 50%)	\$15,000	\$0
5. Tax on capital gain (line 4 x 46%)	\$6,900	\$0
6. Amount of Gift & Tax Receipt (line 1 - line 5)	\$43,100	\$50,000
7. Donation tax credit (line 6 x 46%)	\$19,826	\$23,000
Cost to Give (line 1 - line 7)	\$30,174	\$27,000

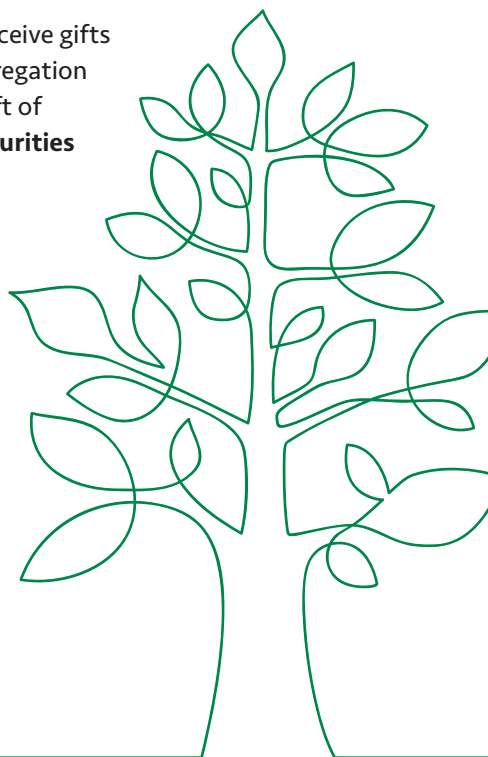
* Assumes federal and provincial charitable tax rates add up to 46% and that the donors can use all the tax credits.



The Presbyterian Church in Canada will receive gifts of securities designated for any PCC congregation or ministry. Download the easy-to-use Gift of Securities form from presbyterian.ca/securities

Benefits

- **Tax Efficient:** You or your estate receive a tax receipt for the full fair market value of your gift and avoid capital gains on its appreciated value.
- **Cost-Effective:** For the same cost to you, can you make a larger gift and you will receive more tax credits, so it costs less to give more!



Charitable Bequests

A charitable bequest is a direction in your will that leaves one or more of the assets in your estate to a charity. This is a meaningful way to support the church while providing your estate with significant tax savings.

A bequest can include cash, securities, and tangible personal property. Your legacy gift can be for a specific amount, a percentage of your estate, or what is left after all other bills have been paid and gifts disbursed.

For more details on types of bequests, giving options and tax advantages, visit presbyterian.ca/charitable-bequest

Types of Bequests

- **Percentage:** The church receives a percentage of your estate.
- **Specific:** The church receives a fixed amount or specific piece of property (e.g., real estate, securities, art, other valuable property).
- **Residual:** The church receives all or a portion of whatever remains in your estate after expenses and other bequests.
- **Contingent:** Dependent on another event occurring (e.g., a relative predeceases you, so a gift is made to the church).

Example

Mary had two heirs when she died: an adult son and daughter. She wanted to give 10% of her estate to the church and leave the rest to her children. She had \$200,000 in an RRIF; a house which provided \$700,000 for her estate and a cottage which provided \$425,000 (appreciated by \$400,000); \$100,000 in securities (originally worth \$40,000) and \$100,000 in cash savings. With no gifts, Mary's estate would pay about \$100,000 in income taxes on the RRIF, pay capital gains taxes of \$15,000 on the securities and \$100,000 on the cottage (because it was not her principal residence). The Estate would also pay the estate administration tax (EAT), commonly referred to as probate, on the value of the accumulated assets in her estate, excluding her RRIF because she made her children the beneficiaries.

The Estate decided to transfer her securities to the church and then write a cheque for the balance. When securities are transferred to the PCC's

broker, no capital gains tax is levied on the sale and the Estate receives a tax receipt for the full value of the securities. By planning wisely and using the tax credits/savings from her gifts, Mary faithfully tithed her accumulated assets, making a \$160,000 gift to the church, while each heir received \$645,000 rather than \$682,250. Find sample bequest wording for your will at presbyterian.ca/estate-planning

Estate worth \$1,600,000			
Description	No Gift	Gift	Notes
Estate Value	\$1,600,000	\$1,600,000	
Gift (Cash & Securities)	\$0	(\$160,000)	\$100K in Securities and \$60K in cash
Tax Credit from Gift	\$0	\$72,000	Based on 45% tax rate
Total Tax Bill	(\$215,000)	(\$128,000)	With tax credits and \$15,000 saved on capital gains tax
Probate (EAT)	(\$20,500)	(\$20,500)	based on Ontario calculation
After tax balance	\$1,364,500	\$1,291,500	A gift of \$160K given for a cost of \$73K
Heirs each receive	\$682,250	\$645,750	

Benefits

- **Tax Efficient:** Reduces the tax payable on your final tax return, up to 100% of your income. If your bequest exceeds 100% of your net income, the excess may be carried back to the previous tax year or forwarded as part of a Graduated Rate Estate plan.
- **Strategic:** Supports your family and the church.



Charitable Gift Annuities

A charitable gift annuity is a way for people sixty years of age and older to leave a gift to the church while also receiving a steady income during their lifetime. A single annuity provides guaranteed income for your life, while a joint annuity provides life-long income for you and your spouse or sibling. The majority, or all, of the annual income is tax exempt, depending on the size of the gift and your age at the time you acquire the annuity. In addition, you receive a one-time charitable tax receipt for at least 20% of the total annuity (the percentage increases the older you are when you acquire the annuity).

PCC gift annuities are invested, and the income is paid out of the interest and capital of that investment. Professional actuarial tables are used to determine the rates. Whatever is left when you die is given to your designated PCC ministry.

Benefits

- **Guaranteed Income:** The annuity rate and income are guaranteed for life.
- **Tax Effective:** Receive an immediate charitable tax receipt when you make the gift and a portion or all of the income is tax-exempt.
- **Peace of Mind:** Don't worry about investment risk and/or balance your portfolio.

Example

Bill, 70, is single and living on a fixed income. Bill's pension and retirement savings cover all his basic expenses, including a weekly offering. He has some savings he'd like to give to the church, but also wants some income to help cover special expenses. Rather than have it sit in his savings account, Bill decides to acquire a gift annuity for \$50,000 and indicates that after his death, the remaining funds will go to his church. In exchange for the gift, Bill receives a tax receipt for \$14,062 and annual income of \$2,555 (see chart below). When he dies, he could leave more than \$14,000 to his congregation.



Sample Charitable Gift Annuity

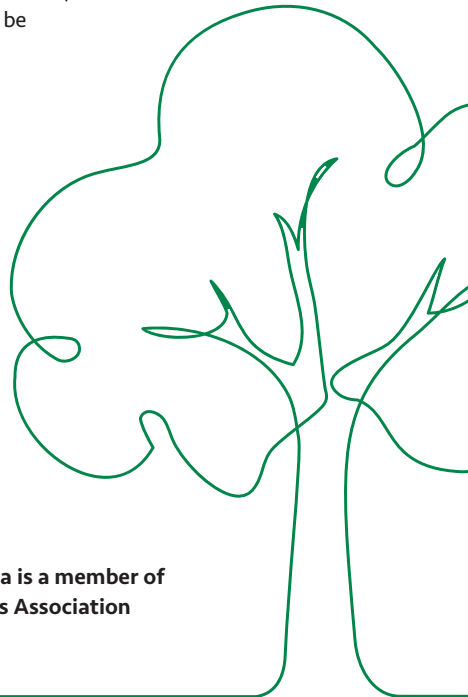
Example: \$50,000 annuity for single male on February 27, 2023.

Age*	Fixed Rate for Life**	Approx. Annual Income***	Non-taxable portion of Income	Immediate One-time Tax Receipt
60	4.99%	\$2,493	\$1,692 (or 68%)	\$10,000
65	5.36%	\$2,679	\$1,975 (or 74%)	\$11,396
70	5.79%	\$2,893	\$2,333 (or 81%)	\$13,241
75	6.35%	\$3,173	\$2,822 (or 89%)	\$14,969

- Notes:
- * Minimum: 60 years and \$10,000 in value
 - ** Rates based on current Canadian Bond rates, age, gender and whether it is a joint or single annuity. Rates are subject to change until the annuity is acquired, then guaranteed for life.
 - *** Payments are generally semi-annual or annual, but monthly or quarterly payments can be arranged for larger gifts.

Act Now

Contact us for a no-obligation, personal and confidential quote. We recommend that you use this quote to consult with your legal and/or financial counsel. Visit presbyterian.ca/annuities for more information.



The Presbyterian Church in Canada is a member of the Canadian Charitable Annuities Association

Gifts of Life Insurance

Life insurance can be a creative way to give more than you thought possible. You can make a gift of either a new or existing policy.

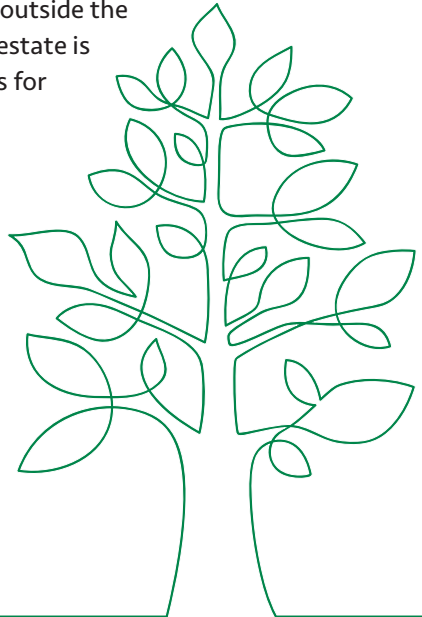
Transfer the ownership of an existing policy. The church will issue you an immediate tax receipt for the policy's cash surrender value. If you continue to pay annual premiums after transferring the policy, the church will issue regular tax receipts for the premiums paid. Use the receipt for up to 75% of your net income and/or carry forward any unused portion for up to five years. Note: When you transfer the policy to the church, you may need to pay taxes on its value. Your receipt can help offset those taxes.

Acquire a new life insurance policy with The Presbyterian Church in Canada (or your congregation) as the owner and beneficiary. You will receive a donation tax receipt for every dollar paid in annual premiums and the church will receive the value of the policy when you die. For relatively small annual payments you can leave a substantial gift.

Make the church the beneficiary. If you want your estate to benefit from tax relief, you can make the church a beneficiary of your life insurance (see Life Beneficiary Gifts). Since gifts of life insurance flow directly to the church outside the estate, your gift is not delayed while the estate is being settled and there are no deductions for probate or estate administration fees.

Example

Connie, aged 45, wants to help replace her annual giving to the church after she dies. However, she needs to keep her assets intact. Connie learned that she could get a "term-to-100" life insurance policy of \$150,000 that is guaranteed to be paid up in 10 years. As a non-smoker, her policy will cost about \$3,000 per year, for which she will receive a tax receipt that will



reduce her income taxes. This means Connie can provide a future gift of \$150,000 for her church for an after-tax cost of only \$16,200.

1) Total premiums & Receipt value	\$30,000	(10 years x \$3,000)
2) Tax Credit (receipt x 46%)	\$13,800	*Assumes the donor can use a combined provincial and federal tax credit of about 46 percent
3) After tax cost (Line 1 – Line 2)	\$16,200	
Gift to Church	\$150,000	

Benefits

- **Simple:** Policies are easily obtained through an insurance broker.
- **Give more:** Small payments now can create a substantial future gift
- **Tax Efficient:** Tax credits from your premiums can offset the costs of the premiums and your estate avoids probate and other fees because the death benefit is not considered a part of your estate.

3 Ways to Give Life Insurance		
How was insurance given?	Who gets the tax receipt?	Receipt amount
1) New policy purchased in the name of the church.	Donor during life*	The amount of the annual premium(s) donor pays.
2) Existing insurance policy transferred to church.	Donor during life*	A portion of policy's cash surrender value and receipts for annual premiums paid after the transfer
3) Made the church a beneficiary of an existing policy.	Estate	The amount received by the church.
*Donor must ensure church receives a copy of the premiums paid each year.		

To learn more about gifts of life insurance, visit presbyterian.ca/life-insurance





Life Beneficiary Gifts

By naming the church as the beneficiary of your Life Insurance plan, Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), or Tax-Free Savings Account (TFSA), you can provide a substantial future gift, while reducing the taxes payable by your estate.

Benefits

- **Simple:** Ask your financial institution to change the beneficiary designation to the full legal name and address of your congregation or The Presbyterian Church in Canada
- **Flexible:** The designation can be changed if your financial circumstances change.
- **Tax efficient:** Your estate receives the tax receipt for the value of the gift, but doesn't have to pay probate, legal & executor fees because it is considered outside of your estate.
- **Private:** This gift is not a matter of public record.

For more details, visit presbyterian.ca/life-beneficiary-gift

Charitable Remainder Trusts

By setting up a trust, a donor can leave a gift to the church and provide for a dependent child or spouse. When the trust terminates (upon your death or the death of other beneficiaries of the trust) the trustee gives the remaining assets to the church.

Benefits

- **Tax Efficient:** It may be possible to eliminate capital gains tax at the time appreciated assets are contributed to a trust and a charitable tax receipt is issued when transferring assets to a trust that names the church as the capital beneficiary.
- **Income:** The income beneficiary will receive regular income from the trust for life or for a specified number of years.
- **Outside Your Estate:** Assets held in the trust are not subject to probate fees and are less susceptible to challenge than a will.
- **Private:** The trust agreement, unlike a will, can be kept private.

For more details, visit presbyterian.ca/charitable-trust

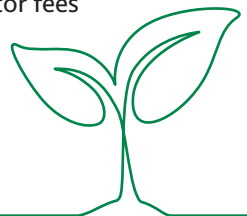
Gifts of Residual Interest

Did you know that you can enjoy the tax benefits associated with donating real estate to the church while retaining the use of the property for the rest of your life, or an agreed-upon term? By giving all (or a portion) of your house or cottage to charity now, you can receive a charitable tax receipt for the current appraised value and continue to live in the property.

Benefits

- **Tax Efficient:** Receive a tax receipt now for the present value of the property.
- **Control:** Retain the use of your property for life.
- **Outside Your Estate:** Eliminates probate, legal & executor fees and cannot be contested by heirs.
- **Private:** Your gift is not a matter of public record, so you may remain anonymous.

For more details, visit presbyterian.ca/residual-interest



The PCC accepts gifts of Publicly Traded Securities and Charitable Gift Annuities for any Presbyterian Church in Canada ministry or congregation. Gifts of Cash, Life Insurance, Life Beneficiary Gifts, Charitable Remainder Trusts and Gifts of Residual Interest may all be given directly to your congregation or to the national office to support PCC ministries, including Presbyterian World Service & Development and Presbyterians Sharing. Discuss your giving plans with your financial advisor to determine what gift vehicles work best for you.

Contact Us

To learn how you can leave a lasting legacy, please contact the Stewardship & Planned Giving staff.

Email: plannedgiving@presbyterian.ca

Tel.: 1-800-619-7301, and ask for
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Charitable Registration No.
10785 6619 RR0001



The information in this booklet does not constitute legal or professional advice. The Presbyterian Church in Canada strongly recommends that you seek professional legal and financial advice to ensure your financial situation and those of your dependents are considered and that your legacy gift is tailored to your circumstances.