

## WHY MAKE A PLANNED GIFT TO SASKATOON CITY HOSPITAL FOUNDATION?

- You will leave a lasting legacy that will be permanently honoured at Saskatoon City Hospital Foundation (SCHF)
- You will achieve your charitable goals
- Your property will be distributed according to your wishes
- It will help you to maximize your tax, financial and estate benefits
- We will honour you *now* for your planned gift



## WHAT IS AN ESTATE PLAN?

Your estate is the sum of your assets, including property you own, insurance policies, retirement accounts, liquid assets, etc. An estate plan is any plan that you develop for disposition of your estate assets with the goal of minimizing expenses and tax. Creating an estate plan is the way for you to choose your legacy and a Will must be part of every estate plan.

## HOW TO MAKE A BEQUEST TO SASKATOON CITY HOSPITAL FOUNDATION

A bequest in your Will is one of the simplest and most popular ways of leaving a charitable legacy. A bequest designating Saskatoon City Hospital Foundation as the beneficiary of pre-determined portion of your estate ensures that your charitable wishes will be carried out according to your plan. Bequests can be designated to a particular area of the hospital but are most commonly applied to the area of greatest need at the time your bequest is received.

Wills can be complex documents and should be drafted with the assistance of legal counsel. The wording of a bequest, if not crafted properly, can become difficult to administer. This is particularly true in cases of ambiguity, department name changes, or the evolution of areas of clinical care. To ensure correct and timeless wording that best honours your true intention, we would be delighted to help you and your advisor fine-tune the relevant clause in your Will.

## PROPER LEGAL NAME

The proper legal name for making a gift is to Saskatoon City Hospital Foundation Inc.; Registered Charity #119140739RR0001

## TYPES OF BEQUESTS

There are three basic types of bequests that can be made to an individual or charitable institution. The following sample wording can be used to designate a gift in your will. Your advisor may also have some samples and we can work together to ensure the right message is communicated.

1. A *specific bequest* is a gift of a particular piece of property (for example, “my heart-shaped diamond pendant” or “my shares in XYZ Company”) or of a stated sum of money (for example, \$50,000).
2. A *residual bequest* is a gift of all or a fraction of whatever remains (the “residue”) after all debts, taxes, administrative expenses, and specific bequests have been paid.

*Example: I give, devise and bequeath \_\_\_\_\_ [a portion of, example: “25% of”; all of, example: “100% of”] the rest and residue of my estate to Saskatoon City Hospital Foundation Inc. in the City of Saskatoon, Saskatchewan, to be used in support of \_\_\_\_\_ [example: “new equipment purchases; programming; education; or where it is needed most”].*

We recommend that you include language that permits the charity to use the gift for a different purpose than what has been specified, if circumstances change that make it impossible or impracticable to carry out the original purposes. This is called a Power to Vary Clause.

*Example: “In the event that, in the opinion of the Board of Directors of the Saskatoon City Hospital Foundation, it should become impossible, inadvisable, or impractical to apply this gift for said purpose, the gift may be used for other purposes consonant with the spirit and intention of this gift.”*

3. A *contingent bequest* takes effect only if the primary intention cannot be met (for example, if the primary beneficiary does not survive the testator).

up to 50% of the premium cost. The gift will not affect the donor's estate plan and the value of the gift will create a lasting legacy at SCHF.

### TAX BENEFITS OF A CHARITABLE BEQUEST

In Saskatchewan, the probate fee is \$7 on every \$1,000 of value passing through the estate. Fees are not paid on assets held in joint name with right of survivorship; life insurance policies payable to a named beneficiary or RSPs/RIFs payable to a named beneficiary.

Tax savings, while rarely the motivation for making a charitable bequest, are an important consideration. The services of a certified financial planner or accountant may assist you in ensuring that you have considered the tax efficiencies available with various gifting options.

For example:

**Securities:** Gifts of stocks and mutual funds made to a charity in-kind are exempt from capital gains tax. (If designating a gift of cash, consider a codicil in the will enabling the executor to make an equivalent bequest with listed securities).

**RSP/RIF:** A tax credit is available for gifts of RRSP / RRIF to charities that are made under a direct designation under the RRSP or RRIF. The credit in these circumstances will be available in the year of death or in the preceding year.

**Life Insurance Policies:** Are widely held in Canada and an excellent gift planning choice.

Gift of an existing insurance policy: Donors receive several benefits by gifting an existing life insurance policy. A charitable tax receipt will be issued for the cash surrender value of the policy, the gift will not affect the donor's estate plan and the ultimate value of the gift will have a tremendous impact on the future funding provided by SCHF.

Gift of a new policy: Gifting a new policy turns a modest, short-term investment into a large, meaningful future gift and you receive many benefits. When gifting a new policy, Saskatoon City Hospital Foundation must be named the owner or beneficiary of the policy. If you make regular payments on the policy, you will receive a charitable tax receipt for the value of annual premiums. During the time it takes you to pay off the policy, the resulting tax credit will help defray

### WE CAN HELP

Planning to leave a gift in your will is a major decision with many different options and we want to make sure you choose the best option for your charitable wishes.

Gifts can be designated to a particular area of the hospital or applied to the area of greatest need at the time your bequest is received. Gifts can be designated for immediate use or can be used to establish a named Endowment Fund.

Saskatoon City Hospital Foundation believes you should be recognized today for tomorrow's gift. When we know about your planned gift, we are able to plan for future funding toward Saskatoon City Hospital needs. Of course you have the choice to remain anonymous even if we know about your gift.

**If you would like to discuss how you can make a difference, please call or email:**

**Tracy Boyle**

**Director of Major and Planned Gifts**

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*The information provided here is general in nature and not intended to represent legal advice. We understand that each individual's financial circumstances are unique and advise you to consult with a qualified professional advisor.*