

Planning for a Lasting Legacy

BY SANDRA VLAAR INGRAM

When the musician Prince died suddenly this past April, the world mourned an iconic artist taken too soon. In the weeks following his death, news that he hadn't left a will, despite a fortune estimated in the hundreds of millions of dollars, was another shock. For his family, a likely lengthy and painful journey to resolve the division of his estate is just beginning. Quietly yet generously philanthropic during his lifetime, it's unclear whether the charitable causes that were meaningful to Prince will be recognized during this process—and whether the accompanying tax benefits will be realized by his estate.

The tragedy brought into striking clarity the importance of planned giving as part of will and estate planning, something Rick Williamson, a St. Catharines-based Chartered Professional Accountant and Board Member and Treasurer of Hospice Niagara, knows is critical for everyone.

"There are several benefits, not all of it financial," says Mr. Williamson. "There can be significant tax savings, for instance if someone is donating shares in companies that have significant capital gains built into them. And you can know that a significant chunk of your estate is not going to go to the government. But the big benefit is knowing you are doing something for your community."

There is a wide array of planned giving options, such as charitable bequests, life insur-

ance, securities, real estate, RRSPs and RRRIFs, each with its own benefits. And though the list can seem daunting for those with fewer resources, Diane Fahlman, Legacy Giving Associate at Hospice Niagara, emphasizes that every planned gift is a welcome one.

"There is a misconception that you have to have a lot of money to make a difference," Ms. Fahlman explains. "It's the intention of the gift, not the size. Hospice Niagara was the beneficiary of the proceeds of a garage sale, and we were grateful for that estate gift. Small amounts add up—and help us do important work in the Niagara community."

For Muriel O'Mulvenny, the choice to include Hospice Niagara as part of her estate plan was simple. She had seen firsthand the compassionate care provided for her sister at a hospice in Ottawa, and knew she wanted to support these beneficial services in her own community. Mrs. O'Mulvenny, a proud member of Hospice Niagara's Legacy Society, made her planned giving decisions after careful consideration and discussions with her legal and financial advisors.

Starting these conversations, frequently prompted by a close personal loss, is key; once started, the result is rewarding to everyone involved.

"There is a fear of talking about it, because you are acknowledging an end-of-life conversation," says Fahlman. "It is a privilege to have these conversations; people then feel relief and appreciate understanding the impact of their contribution to Hospice Niagara."

Planned Giving Considerations

While every individual's situation is unique, Mr. Williamson recommends everyone get legal and financial advice as they begin to plan their legacy gifts. Advance planning with an advisor will ensure that your estate is distributed according to your wishes, and your beneficiaries realize all of the tax benefits associated with planned charitable giving.

Here are some key considerations as you make your plans:

1 Make it Meaningful

There are thousands of charitable organizations in Canada. Has a particular one made a meaningful difference in your life? Is there an organization whose mission you strongly support, and whose services you would like to see continue for years to come? Or perhaps you prefer to divide your gift amongst a few worthy organizations? Narrow down your list and connect with these groups to ask any questions and help solidify your decision.

2 Select the Planned Giving Options that are Right for You

There is a wide variety of planned giving options, and all come with their own benefits. You may opt to transfer your shares of publicly traded securities directly to a charity and may not pay tax on your capital gain. If you decide to name a charity as the beneficiary of an RRSP or RRRIF, a tax receipt equal to the taxable income owed at time of death will be issued. You may choose to name a charity as a beneficiary of your life insurance and your estate will receive a tax receipt; donating a policy means an immediate tax receipt for any cash

surrender value, plus tax receipts going forward when you either donate to the charity to pay the premiums or pay the premiums directly.

Your financial advisor can explain all of the many ways to give, and help you to maximize your legacy gifts.

3 Talk to Your Family, if Possible

Sit down and review your plans with your family, if that can be done comfortably. "It's your assets and your wealth that you built through your lifetime," says Mr. Williamson. "Provided everyone is reasonably taken care of, the family should be fine with your wishes."

4 Get Your Documents in Order

As seen with the circumstances following the death of Prince, having a will is critical to making sure your wishes are carried out. Planned giving requires documentation, particularly if it involves more complex options such as securities. Make sure your estate plan, which should also include your Power of Attorney, is in order, and be sure to update it if circumstances change.

5 Choose the Right Executor

Selecting your executor—the individual you appoint to carry out the terms of your will—is a critically important decision. Your executor is your representative, bound to carry out your wishes. They should be fully aware of their role and your intentions, and familiar with family dynamics. Choose carefully. [BL](#)

For information on legacy giving with Hospice Niagara, an organization focused on improving the quality of life for people living with life-limiting illnesses, death, dying, grief and loss, please contact Diane Fahlman at 905.984.8766, ext. 250, or dfahlman@hospiceniagara.ca.



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