

The Importance Of A Will

There are many reasons why all of us should have a Will, ranging from the very personal to the philanthropic, but only about half of Canadians have a Will. A Will is a written document which, if properly written and executed, states how a person's property is to be distributed at death. For most of us, it is important to think about family and to secure a financial future that will ensure that family members have any needed support(s) throughout their entire lives. If you die without a valid Will, provincial legislation determines the distribution of your assets. If you have no spouse or next of kin, the province may assume control of your assets.

Most people know about Wills, yet they postpone making a Will because they are confused about the estate planning process or feel no sense of urgency to make their Will. Having a Will is a major component of estate planning. When you make a Will, you are in control. You help ensure your assets are distributed after your death to the right people; you name the estate trustee to follow the instructions in your Will; a guardian is named to care for your children if they are under 18; and you can help to take care of the community in which you live and work by including a charitable bequest.

A Will may minimize taxes due upon death and avoid the higher administration costs due to intestacy (not having a will).

Charitable giving through a bequest in your Will

Charitable giving has become an increasingly important source of revenue for charitable organizations. There are many causes and charitable organizations which are important to an individual. Often a significant gift to these organizations is not possible during one's lifetime, but a charitable bequest can allow one to make a major contribution either through a bequest of cash, stocks and bonds, real estate, retirement savings plans or the designation of life insurance.

There are several methods by which you can leave funds to a charity in your Will. A *fixed sum gift* can either be a specific dollar value or a percentage of your estate. A *residual gift* means that after you have provided for the needs of your family and friends, the remainder of your estate is given to charity.

Please turn over...

The government looks favourably upon giving through one's Will. When a charitable donation is made in the year a person dies, specific rules apply to their income tax returns. The estate may claim a charitable tax credit to a maximum claim of 100 per cent of net income in the year of death and the previous year. Without a properly drafted Will many of the tax minimization strategies that could be employed might be unavailable or overlooked.

When you are ready to make arrangements for including a charitable bequest in your Will, speak with your lawyer. As well, ensure you have the correct legal name of each charity. For Wills already in existence, a codicil can be added to make your wishes known. Once you have completed your Will, you should provide each beneficiary charity with a copy of the clauses pertaining to your bequest. Your intentions can be kept confidential, if you wish.

Estate planning is a continual process. As your life changes so should your estate plans. Not only will changes occur in your personal life, but also legislative changes can affect your estate plans. Make sure you review your estate plans with an estate professional at regular intervals to ensure it continues to meet your needs. This is an investment well spent when you consider your family's well-being and the ability to give to your favourite charities.

Toronto East General Hospital Foundation strongly advises you to consult your own legal and or financial advisors to get specific advice regarding your own circumstances, and those of your dependants.

We welcome the opportunity to meet with you to discuss your planned giving options.

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