



GREATER SASKATOON CATHOLIC SCHOOLS FOUNDATION INC.

Philanthropy



BEQUESTS BY WILL

The Greater Saskatoon Catholic Schools Foundation Inc. can be designated as a beneficiary in your will. Since the gift is deferred, there is no immediate income tax benefits associated with a bequest; however, this type of gift is eligible for a tax receipt which may be applied to up to 100% of the income (including all assets that are deemed disposed) stated on your final return. The receipt may also be carried back and claimed in the year previous to death.



Your bequest to The Great Saskatoon Catholic Schools Foundation Inc. may be one, or a combination, of the following:

- A percentage of your estate, for example, 10%.
- The residual of the estate (after all or part of the residue of the estate after all specific bequests and expenses have been paid out of the estate)
- A specific dollar amount
- Real Estate
- RRSPs/RRIFs
- Stocks and securities
- Life Insurance policies

An unrestricted bequest allows the Foundation to use the donor's gift where the need is greatest. A restricted bequest is a gift with a specific purpose. The donor may specify the gift be used for a particular program, school or to fund a scholarship.

The drafting of a will should be arranged with the involvement of legal counsel. It is preferable that you allow for the broadest possible flexibility for determining how your gift should be used by The Greater Saskatoon Catholic Schools Foundation Inc. while at the same time ensuring that the Foundation can carry out your wishes.

If your financial plan includes a bequest for the Greater Saskatoon Catholic Schools Foundation Inc. in your Will, we would like to hear from you. We can then review the terms of the bequest with you, particularly if it is restricted, to ensure that we will be able to comply with your wishes.

Suggested wording for Unrestricted Use:

I give and bequeath to the Greater Saskatoon Catholic Schools Inc., Saskatoon Saskatchewan the sum of \$_____ (specific amount) or _____% (a percentage) of the residue of my estate to be used for its general purposes as the Greater Saskatoon Catholic Schools Foundation Inc. sees fit. Registered Charity #: 140741398 RR0001

Suggested wording for Restricted Use:

*I give and bequeath to the Greater Saskatoon Catholic Schools Foundation Inc., Saskatoon, Saskatchewan, the sum of \$_____ or _____% (percent) of the residue of my estate to be used for _____. ** If, in the opinion of the Board of Directors of the Greater Saskatoon Catholic Schools Foundation Inc. ,it should become impossible, inadvisable, or impractical to use this gift for this specific purpose(s), then the Board may in their discretion use the gift to the best advantage for the Greater Saskatoon Catholic Schools Foundation Inc., keeping in mind the spirit of the gift intent. Registered Charity #: 140741398 RR0001*

******You would state the detailed description of what you, the donor, would want the bequest to accomplish or be used for a particular program.

GIFTS OF LIFE INSURANCE

A gift of life insurance is an affordable way to make a gift to the Greater Saskatoon Catholic Schools Foundation Inc.



There are four ways for you to provide a charitable gift of life insurance.

- **New Policy:** Your annual premium is considered a charitable contribution when you make the Greater Saskatoon Catholic Schools Foundation Inc. the owner and beneficiary of the policy. You receive a tax receipt for its value which can offset annual income tax.
- **Paid Up Policy:** If you have a paid up policy that is no longer needed for your original purpose, it can be transferred to the Greater Saskatoon Catholic Schools Foundation Inc. You receive a tax receipt for the fair market value of the policy which can offset income tax payable.
- **Existing Policy:** You can transfer ownership of your policy. The advantage is that you do not have to go through the process of buying a new policy which is beneficial if there is a health consideration that might result in a denied application. You will receive a charitable receipt for any cash value on transfer, plus an annual receipt for premium payments.
- **Named Beneficiary:** Name the Greater Saskatoon Catholic Schools Foundation Inc. as the beneficiary and receive a tax receipt to your estate for insurance proceeds paid directly to the Foundation.

Benefits of making a gift of life insurance to the Greater Saskatoon Catholic Schools Foundation Inc. include:

- Receiving a tax receipt based on the way the insurance was gifted;
- Avoiding probate. Gifts of life insurance are less susceptible to being contested than a charitable bequest, and provide privacy;
- Designating your gift to a priority that meets your interests, such as a particular program, capital projects, or scholarship.

Life Insurance Policy Planned Gift Example:

You want to make a planned gift to the Greater Saskatoon Catholic Schools Foundation Inc., but you don't have the funds to make a gift out of your current financial situation like what you want to. One option is to purchase a life insurance policy and make the Foundation the owner and beneficiary of that policy. You benefit today by receiving a tax donation receipt for the amount of the premiums you paid, and you receive the satisfaction of knowing you are leaving the Catholic school community a wonderful legacy of hope.

Donor purchases a life insurance policy and makes the Greater Saskatoon Catholic Schools Foundation Inc. the owner and beneficiary of the policy. The donor is entitled to a donation receipt for premiums paid to the insurance company after ownership has been transferred to the charity and for contributions made to the charity to cover the premiums.	
Face Value of Policy	\$100,000
Premiums paid by Donor	\$35,000
Foundation issues a charitable donation receipt to donor to be used on donor's annual income tax.	\$35,000
Tax Credit to Donor (assuming 44%)	\$15,400
After-tax cost of policy (\$35,000 - \$15,400)	\$19,600
The donor receives a \$35,000 tax donation receipt amounting to a \$15,400 tax credit to reduce "tax owing". The cost of the \$100,000 policy is actually only \$19,600.	

GIFTS OF RRSPS AND RRIFs

By naming the Greater Saskatoon Catholic Schools Foundation Inc. as the beneficiary in your registered retirement plan documents, you can enjoy the savings from your RRSP and RRIF during your lifetime, tax-protect your

estate, and create a legacy for the Foundation.



Please use the legal name "Greater Saskatoon Catholic Schools Foundation Inc., Saskatoon, Saskatchewan" in your RRSP/RRIF beneficiary designation clause. The Charitable Number of the Foundation, which is required, is 140741398 RR0001. A tax receipt for the value of your gift invested will be issued to your estate (all or a portion of the assets in you plan) and applied towards your final income tax return.

Gifts of RRSPs and RRIFs are beneficial because:

- RRSP/RRIF gifts are tax-effective means of supporting the Foundation;
- Your estate may claim gifts in the year of death equal to 100% of your net income in that year and the preceding year;
- You have use of the retirement savings investment while you are alive;
- You can designate your gift to a foundation priority that meets your interests
- RRSP/RRIF gifts are revocable and can be changed if your financial circumstances change;
- You can avoid probate.

Please note: Under current Canadian tax law, RRSPs/RRIFs cannot be transferred directly to a registered charity during one's lifetime to be eligible for a charitable tax receipt. While you may choose to withdraw funds from your retirement savings to make a gift, such course of action is not recommended since the tax owed upon disposition would likely devour most, if not all, of the tax credit produced by the gift.

PUBLICLY TRADED SECURITIES

Federal incentives have made it very attractive to donate publicly traded securities that have appreciated in value.

You can donate shares, bonds, bills, warrants, futures and/or units in mutual funds traded in Canadian, American, or major international exchanges to the Greater Saskatoon Catholic Schools Foundation Inc. You will receive a tax receipt for the full appreciated value of your gift and you will not be liable for any capital gains tax. The receipt value will be based on the closing trading price on the day that your gift is received by the Foundation and the cash value of the securities will be used to support the Foundation.



Compares donating publicly traded shares directly vs selling the shares and donating the cash proceeds. Be sure to consult your tax advisor and charity before making a gift of property.

Marginal Tax Rate: 44%

	Sell Shares and Donate Cash	Donate Shares Directly
FMV of donation (a)	\$100,000	\$100,000
Adjusted Cost Base	\$20,000	\$20,000
Capital Gain	\$80,000	\$80,000
Taxable Capital Gain	\$40,000	\$0
Tax on Capital Gain (b)	\$17,600	\$0
Donation Tax Credit (c)	\$44,000	\$44,000
Tax Savings	\$26,400	\$44,000
Total cost of donation (a)+(b)-(c)	\$73,600	\$56,000
Tax Savings by Donating Shares		\$17,600

***Assuming tax rate of 44% for ease of illustration**

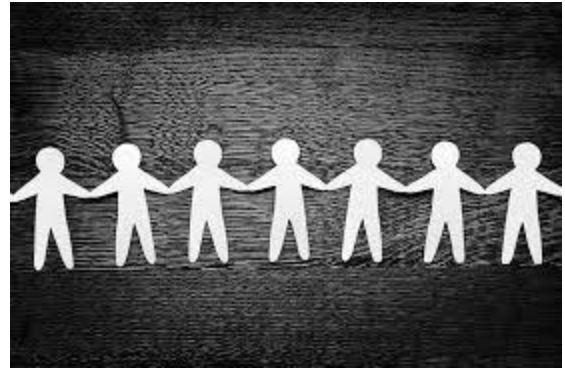
In this illustration, the Donor saves \$17,600 in taxes by donating the shares vs. selling the shares and donation the cash.

EMPLOYEE STOCK OPTIONS

If you acquire publicly traded securities through employee stock options and donate these securities to the Foundation, you will qualify for a reduced employment benefit, assuming you meet with certain conditions. The shares must be donated in the same year and within 30 days of the stock option being exercised.

Charitable Gift Annuities

A charitable gift annuity acquired through your insurance agent is an agreement by which you can give a substantial gift to the Greater Saskatoon Catholic Schools Foundation Inc. and, in return, receive a regular income for life. It is an ideal planned giving vehicle for people 65 years or older who would like to leave a gift to The Foundation after they die, but also need to receive a steady income during their lifetime.



You may acquire either a "single annuity" (which provides income for you alone as long as you live) or a "joint annuity" (which provides lifetime income for you and your spouse, or a brother or sister).

The majority of all the annual income is tax-exempt, depending on your age at the time you acquire a gift annuity. In addition, donors also receive a one-time charitable tax receipt for a minimum 20% of the total annuity (the percentage increases the older you are when you acquire the annuity).

A gift annuity gives you the deep satisfaction that comes from knowing you will be supporting important work after you have died, while at the same time giving you the assurance that you will be receiving regular income each year for as long as you live. By acquiring a gift annuity through the insurance advisor, you can experience the double blessing of giving and receiving!

CHARITABLE REMAINDER TRUSTS

Charitable Remainder Trusts is a planned gift through which a donor transfers cash, securities or real estate to a trustee who holds and manages the assets during the donor's lifetime. Income from the assets is paid to you for life or the term of the trust, and then the remainder is transferred to the Greater Saskatoon Catholic Schools Foundation Inc. upon the termination of the trust.

You establish a living trust by contributing cash or other property. Throughout your lifetime, you receive income from the trust, but upon your death, the "remainder" will pass directly to the charity you name as the beneficiary. This approach provides immediate tax relief to you, instead of your future estate. The trust can be set up so that the property passes to the charity only when both spouses and other income beneficiaries pass away.

To set up a Charitable Remainder Trust, you will need a lawyer experienced in estates and trusts.



GIFTS OF RESIDUAL INTEREST ON REAL ESTATE

A donor may give a charity a residual interest in real estate, typically in a primary residence or a vacation cottage. The donor retains for himself or herself, and/or for another person or persons, the right to use the property



for life or for a term of years. Then the charity becomes the full owner and may either keep the property or sell it and use the proceeds. The donor is giving the future interest but retains a present interest. The charity receives the 'residual interest' after the donor passes away or the defined term is finished. The residual interest in real estate is generally given through a deed registered in the name of the charity showing the life interest. Generally, the donor will agree to pay all costs of maintaining and insuring the property, in which case the charity assumes no financial liability. Capital improvements may be allocated between the charity and the person(s) using the property. Responsibility for expenses should be spelled out in a supplemental agreement between the donor and the charity.

The donation receipt is determined on the value of the property, the life expectancy of the person(s) who will use the property, and the applicable discount rate. Capital gain in the property is allocated to the value of the residual interest. The donor will reduce current income tax and be recognized as a present donor. There is no capital gain if the gift is the principal residence.

When you make a gift-in-kind to the Foundation:

- A tax receipt for the fair market value on the day the gift is made will be issued. The value is determined by one or more independent professional appraisers.
- Gifts of property may trigger capital gains tax, but the charitable tax credit for the gift will offset the gain. Charitable donations up to 75% of your net income can be claimed, as well as 25% of the taxable capital gains resulting from a gift of appreciated capital property.
- A five-year carry forward on unused donation amounts is permitted.

Personal and Estate Planning Considerations

in Charitable Giving

Donation Option	Minimum amount required	Can you revoke the gift	Do you get income or use during lifetime?	Subject to probate	Charitable tax credit available?	When can charity use gift?
Outright gift now of cash or property	None	No	No	No	Now	Immediately
Bequest under Will	None	Yes, by changing your Will prior to death	Yes	Yes	After death in your final tax return or return for the preceding year	After Death
RRSP/RRIF	None	Yes, by changing your beneficiary election prior to your death	Yes	No	After death in your final tax return or return for the preceding year	After Death
Charity is owner and beneficiary of insurance policy	None	No, if you don't pay your premium, charity can pay them, reduce death benefits or cash in policy	No	No	Now and as you pay future premiums	Generally after death
Charity is the only beneficiary of insurance policy	None	No	Yes, if you can cash in the policy, but then there is nothing left for the charity	No	After death in your final tax return or return for the preceding year	After Death
Charitable gift annuity	Depends on life insurance issuer	No	Periodic payout during lifetime	No	Now, based on the present value cost of the annuity	Immediately
Charitable remainder trust	\$20,000 - enough to justify required legal/trust fees	No	You can use property and receive all income generated	Only if gift made under your Will	Now, based on gift value adjusted for life expectancy of life tenant	After death of the tenant (income beneficiary)
Endowment fund	Depends on purpose - check with Charity	No	No	Only if gift made under your Will	Now, or on death for available gift under Will	Income immediately, or after death if gift made under your Will.