



## PLANNED GIVING

Planned Giving is a donation made at a future date through your will. This donation is one way of ensuring that people with Barth syndrome will continue to be supported in meaningful ways.

The Barth Syndrome Foundation of Canada recommends that you speak with your legal and financial advisor and planner so that your needs and the needs of your family are taken into consideration when making Planned Giving bequests.

## TYPES OF PLANNED GIVING

**Direct Bequest** - A direct bequest is simply a statement made in a person's will that directs the Estate Trustee(s) (Executors) to make a donation to a specific charity on behalf of the deceased. The Barth Syndrome Foundation of Canada (BSFCa) would be truly grateful for any bequest that you or your family would wish to bestow on us. The process is quite simple. You would approach your lawyer to prepare your last will and testament. You would instruct your lawyer to include a clause in the will that names the BSFCa as one of your beneficiaries. You can make a Specific Bequest, which is a gift of a particular piece of property (such as shares in a company) or a stated sum of money. The advantage of making a specific bequest is that it can be precisely identified and it is simple to administer. You can also make a Residuary Bequest which is a gift of all or a fraction of whatever remains after all debts, administrative expenses, and specific bequests have been paid. The actual value is sensitive to any changes in the value of an estate. There is also the option of a Contingent Bequest, which takes effect only if the primary beneficiary does not survive the donor.

Upon your death, the BSFCa would receive the amount indicated in your will and the Estate would receive a tax receipt for the amount donated. The tax receipt can be applied to eliminate up to 100% of the taxes payable in your final year as well 100% of the taxes payable in the year prior to your death.

**With any type of bequest, you decide how you would like your gift to be directed.**

**LIFE INSURANCE POLICIES** - The donation of life insurance policies is one way in which you can make a significant gift to the BSFCa while at the same time benefit from current and future tax savings.

**Transfer of Ownership of a Life Insurance Policy** - The donation of life insurance can take the form of the irrevocable transfer of ownership of an existing policy or the creation of a new policy with the intention of making a charitable donation.

It is not uncommon for a person to have purchased a life insurance policy which has subsequently become unneeded or for which the original purpose is no longer valid. Under these circumstances, the owner of the policy may seek alternative uses for that policy. A charitable donation to the BSFCa is one of those uses.

**Existing Life Insurance Policies** - The donation of an existing life insurance policy involves providing a benefit to the charity as well as achieving a tax credit for you, the donor. In order for these tax benefits to accrue to you, the gift of the life insurance cannot be revoked. Once the donation is completed, it cannot be reversed.

In order to donate the life insurance policy, the following steps are to be followed:

- 1) The donor must complete and sign a Change of Ownership form as issued by the Insurance Company. The Barth Syndrome Foundation of Canada will be named irrevocably as the new owner.
- 2) The Insurance Company will confirm that the change of ownership has been recorded on the life insurance policy. The Barth Syndrome Foundation of Canada completes a Beneficiary Change Form from the Insurance Company naming itself as the irrevocable beneficiary.
- 3) The Insurance Company will confirm the change of beneficiary.
- 4) If the donated policy has a cash value, the Barth Syndrome Foundation of Canada will issue a tax receipt to the Donor. The receipt will be in the amount of the cash value, less any outstanding loans. Any subsequent premiums paid by the Donor will also generate a tax receipt to the Donor. The donor may pay the premium to the Barth Syndrome Foundation of Canada who will then pay the premiums to the life insurance company or the donor may pay the premiums directly to the Insurance Company. The

charitable receipt for these premiums is only issued once confirmation is received from the Insurance Company that the payment has in fact been made.

If the policy is a Term Insurance plan or if it has no cash value, the Barth Syndrome Foundation of Canada will issue a receipt only for premiums paid by the donor subsequent to the change of ownership of the policy to the Barth Syndrome Foundation of Canada and under the conditions named in item four above.

**New Life Insurance Policies** - If you are creating a new life insurance policy to donate to the Barth Syndrome Foundation of Canada, then the previous steps are to be followed after the policy has been applied for and is actually issued by the insurance company. Any premium payments made by you after the ownership has been transferred to the BSFCa will generate a tax receipt.

**DONATION OF PROCEEDS OF A LIFE INSURANCE POLICY** - The use of a life insurance policy is a very economical method of turning a relatively small monthly deposit into a substantial donation to the Barth Syndrome Foundation of Canada. The procedure involves naming the BSFCa as the beneficiary of the policy. Each insurance company provides forms that will accomplish this. Once the insured person dies, the proceeds are delivered, tax free, to the Barth Syndrome Foundation of Canada. The donor's estate will receive a tax receipt for the amount donated.

In addition to the tax benefits, a gift of life insurance is not subject to probate fees, nor is it a matter of public record, and cannot be contested as in the case of Wills.