

# Planned Giving

Making a Meaningful Impact  
with Lasting Gifts



## Planned giving creates meaningful impact.

### In this pamphlet, we share:

- The different types of planned giving
- How both you and your charities of choice can benefit from planned giving
- The impact your gift will have on those who ARCH Hospice serves



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"Although, my family only had the pleasure of meeting all of you for a brief time, the impact you had on each and every one of us was deeply felt and we are so blessed to have had the honour of having you touch our lives and hearts. Every single staff member at ARCH had a profound impact on our dad's care during his end of life journey. That was very apparent as you all possess this special gift that comes as second nature for you.

"Although our dad's passing was one of the most gut-wrenching, emotional and trying times for my family, we have all of you to thank so much for your deep compassion, genuine care and amazing expertise to get us through it. My mom and my family also want to express our deepest gratitude for never leaving my mom's side and being there for her during my dad's last days of his journey when we couldn't all be there for her at the time.

"You will all be remembered and treasured in our hearts forever. Thank you for all that you do every single day. We could not have gotten through it without all of you special angels."

- A Hospice Family

At ARCH Hospice, we go beyond caring for the physical, emotional and spiritual well-being of our residents and their families. We create special moments and, above all, fulfill wishes.

Your support allows us to provide these special moments, and countless others, to those in our care.

We believe positive end-of-life experiences are far too important to pass up.

## What is Planned Giving?

Planned giving is the process of donating planned gifts. Your planned gift may be a current gift to the charity of your choice or a deferred gift that is only available in the future, usually after death. When done properly, planned giving benefits both society and you, the donor. It allows you to help the causes you care about.

If you are interested in making a planned giving donation or would like more information, please contact ARCH Hospice at 705-942-1556 extension 202.

“Words cannot express our gratitude for the comfort and peace you provided my mom and our family during her final days. Thank you.”

- A Hospice Family

## Donations of Estate

ARCH Hospice gratefully accepts donations of estate. There are several ways you can make this type of donation. Two of the most common methods are:

1. Direct donation – occurs when you make an estate donation to a charitable organization outright. This doesn't activate capital gains tax and results in a charitable tax deduction.
2. Bequest – A bequest is not an immediate donation. This occurs when a charitable organization is identified as a beneficiary in the donor's Will upon his/her death.

It is important to meet with your financial advisor to address your individual circumstances when considering a donation of estate.

Notifying ARCH of your gift allows us to thank you personally, plan for future programs and services, and continue fulfilling our mission to provide quality, compassionate care through end-of-life.



## Donations of Securities

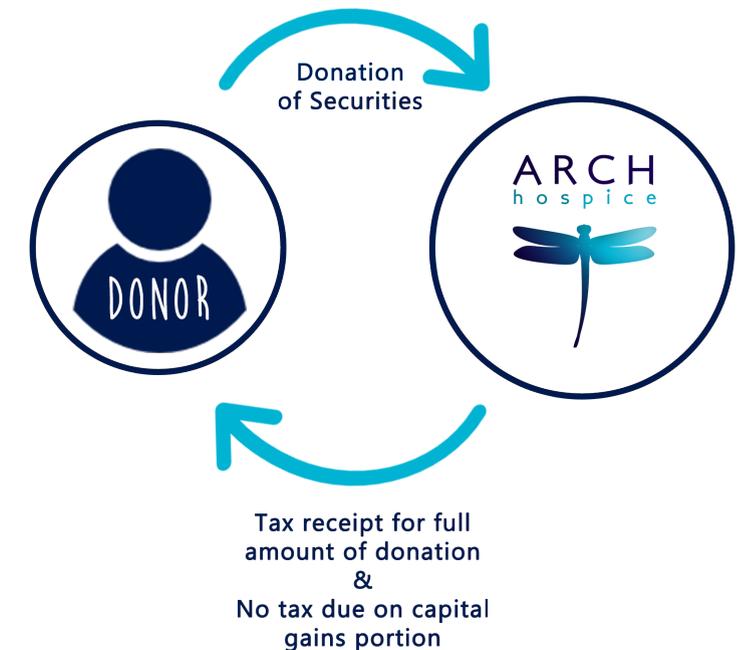
When you make a gift of public securities to ARCH Hospice, you're supporting quality, compassionate end-of-life care in a way that has an immediate impact.

Securities can include stocks, mutual funds, segregated funds, bonds, flow-through shares, and employee stock options. You can give now, or as part of your estate and Will planning.

By donating publicly traded securities directly, you eliminate the capital gains (profit from the sale of property or of an investment) tax that you'd have to pay if you sold the securities and then donated the proceeds. You'll also receive a charitable tax receipt for your donation.

Take, for example, \$5,000 worth of shares that cost you \$1,000 when you bought them. If you sold the shares and donated the \$5,000, you would receive a tax receipt for the donation, but you would also have to pay tax on the \$4,000 capital gain on the stock. However, if you donate the stock directly to the charity, you will receive the same tax receipt for the donation but you will not have to pay tax on the capital gain.

If you are considering a donation of publically traded securities, we encourage you to speak with your Financial Advisor to ensure the donation of securities is in line with your investment goals.



A vertical strip of purple flowers, likely asters, runs down the left side of the page. The flowers are in various stages of bloom, with some showing their intricate, spiky petals and green centers. The background is a soft, out-of-focus purple and green.

## Donations of Life Insurance

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A gift of life insurance is an effective way to make a substantial future donation to your charity of choice by making a modest annual investment.

### How Does it Work?

#### Charity is Owner of Life Insurance Policy

You purchase the life insurance policy and arrange the terms of payment. Often people choose to make donations to the charity and the charity then pays the premiums. The charity then becomes the owner of the policy. As the owner of the policy and the beneficiary of its proceeds, only the charity can change the beneficiary. This ensures your gift goes to the charity when you die, and the proceeds cannot be contested, taxed, or claimed by your creditors.

Your financial advisor can help you take advantage of the tax savings that derive from this type of planned giving. Since the policy is owned by the charity and the charity is the beneficiary, the proceeds pass outside of your estate. Therefore probate fees will not apply to the gift. You are eligible for a tax receipt for all of the premiums you pay after the charity obtains ownership of your policy. You can also receive a tax receipt for the fair market value (FMV) of the policy if you donate an existing permanent policy.

Planned giving with life insurance gives you the comfort of knowing you are supporting quality, compassionate end-of-life care beyond your lifetime.

#### Donor Remains Owner of Life Insurance Policy

If you prefer to retain ownership of your life insurance policy, the process and outcomes are slightly different.

As the owner of your policy, you remain able to change beneficiaries whenever you want. You also have access to the cash value within a

"ARCH is an anchor spot for us. It's a heartfelt connection we have. They are here to let people have a comfortable, natural death.

"My mother said she felt like she was in heaven there. They kept her spirits up. Their care team took over. They would tell the two of us 'go and have a coffee and we'll come and get you.' They'd go in and freshen her up and put a little bit of lipstick on her and made her look beautiful. They cared for both her and the two of us. It was special."

- A Hospice Family

permanent life insurance policy during your lifetime, should you need it. If you choose to designate a charity as the beneficiary, the charity will receive the proceeds of your policy upon your death. The death benefit is received tax-free by the charity.

In addition, in the year of your death the charity will issue a charitable receipt for 100% of the amount paid to the charity. The proceeds of your policy will count as a charitable donation on your final tax return – the one prepared on your behalf.

However, when you retain ownership of the policy, you will not receive tax receipts for the premiums paid during your lifetime.

## Gifts of Insurance Policy During Life vs. Gift of Insurance Proceeds After Death

(extrapolated from "Planned Giving, A Guide for Clients" - Sun Life Financial)

	Gift of Policy	Gift of Proceeds
Who owns the policy?	ARCH Hospice	You
Who is the beneficiary of the policy?	ARCH Hospice (rigid) - you cannot change the designation because you no longer own the policy	ARCH Hospice (flexible) - you may change the designation at any time before the life insured's death
Who pays the premiums?	ARCH Hospice (if agreed upon in the terms of payment)	You
Who has access to policy cash values?	ARCH Hospice	You
What tax donation receipts can you receive?	Fair Market Value of the policy (if any) when donated; premium payments (if any)	Full policy proceeds paid after death

"How do you thank someone who helped create 'memory moments', an opportunity to celebrate a life and bring family together? Not just the Nursing staff who were our guides on this journey, but the entire ARCH family who enveloped us into their embrace. Their Chef's culinary gifts and special requests seemed to be fulfilled effortlessly. The staff and volunteers behind the scenes who work diligently to bring this special place to our community. Thank you for everything."

- A Hospice Family

## Bequests & Wills

A gift in your Will, also known as a bequest, is one of the easiest ways to make a planned gift. An increasing number of Canadians, as part of their estate planning, are gifting to charities in their Wills. Giving consideration to a gift in your Will indicates a willingness to continue to support the things that were important to you during your life.

With the help of your financial advisor, you can include specific language in your Will that indicates what gifts are to be made as part of your estate plan. Your current income won't be affected and you may be eligible for significant tax benefits but be mindful that a charitable bequest will not allow you to avoid probate fees. In most provinces, probate fees will be due on your estate's value before distributions are made.

There are a number of ways to leave a gift in your Will, including gifting cash, real estate or other assets.

### Benefits of Including Planned Giving in Your Will

- It reduces the tax burden on your estate - it gives your estate a donation receipt for the amount given and, as a result, a tax credit to be used in your final tax return. It can be used against 100% of income in the year of death and any excess not used may be carried back one year and used up to 100% of income in the year before death.
- It doesn't cost you anything during your lifetime.
- It doesn't have to take away from what you want to leave for your loved ones.
- You can make changes to your Will at any time.

A gift in your Will is easy to arrange. It can be as simple as including a sentence or two when you write your Will, or adding a codicil to your existing Will.

There are different types of gifts that can be included in your Will:

- **Specific bequest:** a specified dollar amount, or a specific item of property, that is left to a named beneficiary

Sample wording: *I bequest to ARCH Hospice the sum of \$\_\_\_\_\_ to be used for any purpose(s) approved by the Board of Directors of ARCH Hospice, unless otherwise agreed upon.*

- **Residual bequest:** a percentage or share of the remainder of your estate after other gifts and liabilities have been paid out

Sample wording: *I bequest to ARCH Hospice \_\_\_\_% of the remainder of my estate.*

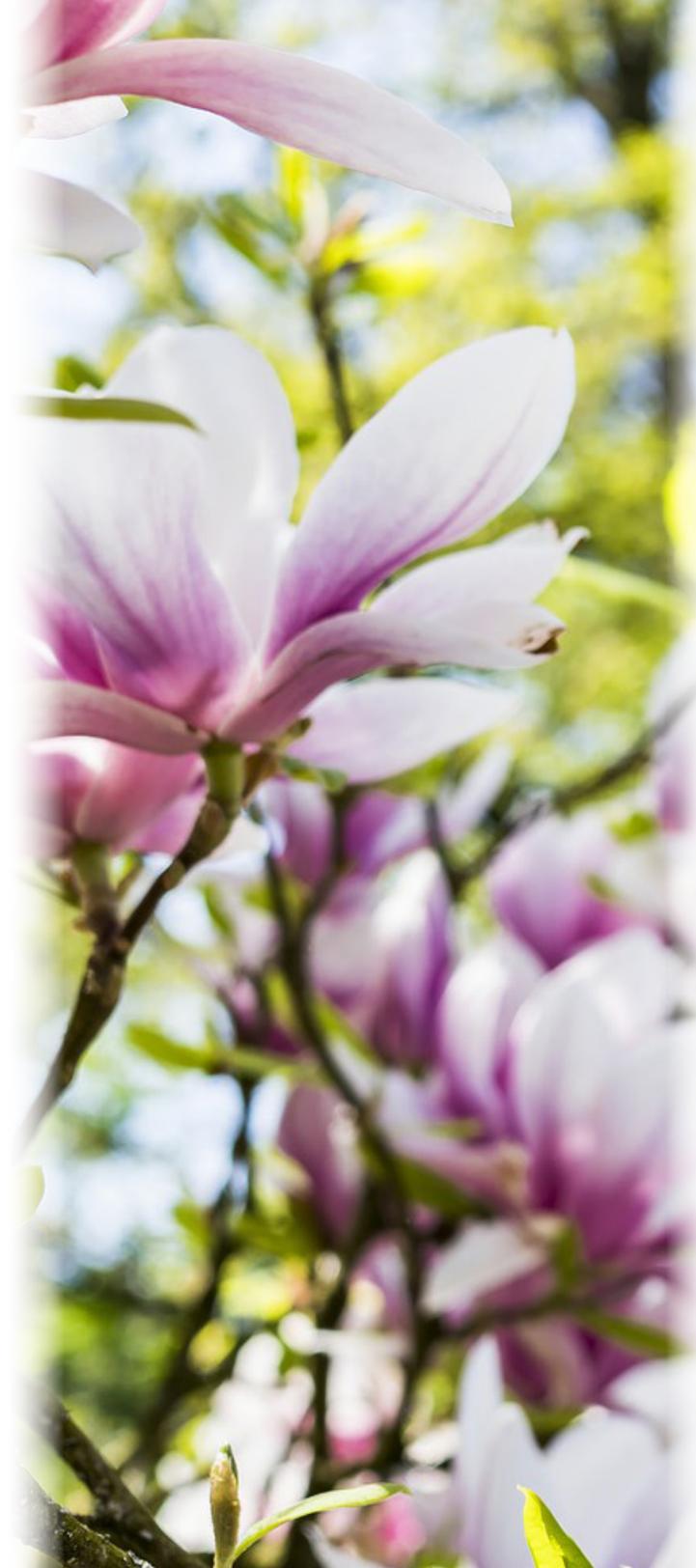
- **Contingent bequest:** a percentage or share of your estate paid only in the event that other named beneficiaries have predeceased you

Sample wording: *If my husband [name] does not survive me, I give to ARCH Hospice \_\_\_\_% of my estate.*

Without a Will, the province may dictate who will receive your assets and how much they will receive. If there is any chance your survivors may question your decision, it is a good idea to attach an explanatory side letter to your Will. Although not legally binding on your executor, it will help clarify your wishes to your beneficiaries. Wealth Management experts suggest reviewing your Will at least every three to five years or when there is a change in your family situation.

We encourage you to meet with your financial advisor as you consider your estate plans. As you develop and edit your Will, we also suggest implementing other components of Advance Care Planning. To learn more about Advance Care Planning, please visit <https://www.archhospice.ca/advance-care-planning>.

If you are considering listing ARCH Hospice as a beneficiary, we strongly recommend letting us know as your bank is not obligated to notify your charities of choice upon your death. We can also provide you with any information you may need to incorporate ARCH into your planned giving.



## Private Charitable Foundations

A private charitable foundation is a non-profit organization usually funded by a single source or a small group. This type of foundation provides flexibility in how its funds are used. The funds are not tied to a specific charity, allowing the foundation's directors or trustees to allocate funds to multiple charities, in collaboration with the guidelines set by its founders.

Many of today's foundations were created because wealthy donors wanted to dispose of property with substantial capital gains. The ability to value the gift between cost and market value enabled them to plan their tax credits so that they minimized or avoided tax while creating a lasting legacy.

The creation and operation of a private foundation is a highly specialized legal and estate planning area. It should be considered only by those who are willing to commit a significant amount to charitable activities.

## Charitable Gift Funds

An alternative to a private foundation is a charitable gift fund. This type of fund allows you to create an enduring charitable legacy without the time and expense required of a private charitable foundation. With a charitable gift fund, you can donate cash or other assets to a fund administered by a registered public foundation. This type of planned giving may be perfect for you if you want to establish a legacy and value convenience. With this type of donation, you still have full control as to when and how your donation is distributed.

The minimum initial investment depends on the fund you are interested in but may start as low as \$25,000 and you'll receive a donation receipt equal to the value of the assets you donated.

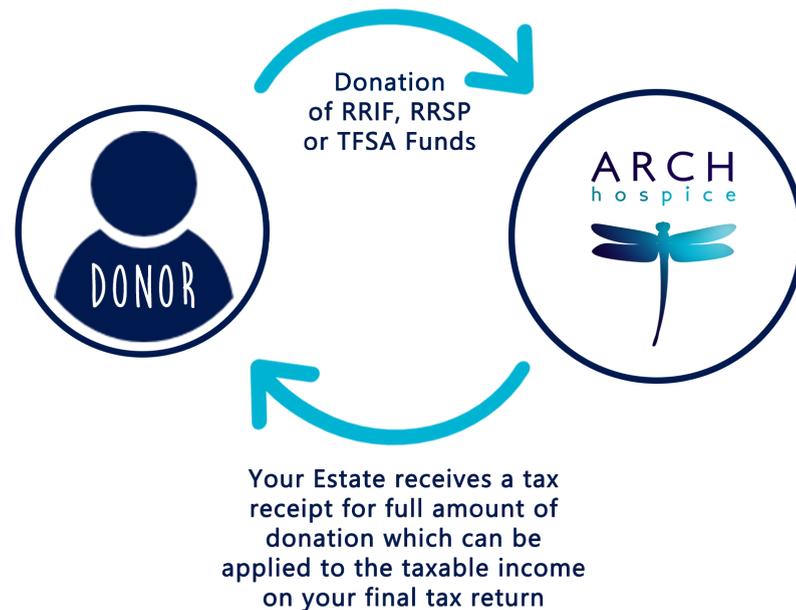
## Gifts of Registered Funds & Tax-Free Savings Accounts

Donors are often surprised to learn that retirement assets such as RRSPs (Registered Retirement Savings Plans) and RRIFs (Registered Retirement Income Funds) must be reported as income upon death. This income is fully taxable unless the funds are designated to a surviving spouse or dependent child. You can maximize a retirement plan's benefits by naming your charity of choice as a direct beneficiary of your RRSP or RRIF and leaving a legacy that will help continue to support quality, compassionate end-of-life care in the Algoma District.

Donating funds from a TFSA (Tax-Free Savings Account) is another meaningful option if you are considering leaving a legacy. Similar to RRSPs and RRIFs, you can name your charity of choice as a direct beneficiary. Unlike RRSPs and RRIFs, TFSAs are tax-free and do not have to be reported as income upon death. The funds in a TFSA can be transferred tax-free upon death.

Choosing to name ARCH Hospice as a direct beneficiary of registered funds or TFSAs means your gift passes directly to ARCH, avoiding probate fees and triggering a tax receipt that can offset other tax owing within your estate.

Gifting of registered funds or funds from a TFSA can be easily accomplished without the assistance of a lawyer. You simply change the beneficiary information on the plan and advise the institution holding the account of the change. Unlike some other types of planned giving, you remain the owner of the RRSP, RRIF or TFSA so you have the ability to change beneficiaries



whenever you'd like. You can designate ARCH Hospice as a partial or full beneficiary, providing great flexibility to your legacy gift and the proceeds of your gift will be received by the charity of your choice upon your death.

In the case of an RRSP or RRIF, you are deemed to have received the full balance of the income in the year of death. As a result, the taxes owing on your final return will likely increase. Your estate will receive a tax receipt for the full amount of the funds distributed to ARCH Hospice, so long as the transfer of funds occurs no later than 36 months after death. This tax receipt can be applied to the taxable income on your final tax return, often substantially offsetting the tax amount owed.

These guidelines also apply to donations of LIRAs (Locked-In Retirement Accounts) and LIFs (Life Income Funds).

"We wish to convey a heartfelt thank you to everyone at ARCH for all that you do. During the short stay my mom had at ARCH, you all made our entire family feel at home, comfortable, and reassured.

"All of you are very special for the jobs you do and we appreciate the caring atmosphere. ARCH is a beautiful and special facility for families, like ours, to come together and try to get through a very difficult time in our lives."

- A Hospice Family

## What Your Donation Means

Donating to ARCH Hospice gives the gift of comfort. Your donation stays local, providing comfort to more than 150 residents and their families every year. Your donation directly supports:

- Grief services, early resource services, and family support services
- Complementary therapies including reiki, yoga, pet therapy, music therapy, and legacy building
- Residential, paediatric and bariatric palliative care
- Resident food and care supplies
- Building maintenance and equipment

A commitment made to ARCH today helps to provide comfort to local families tomorrow. Your support will assist us in providing quality, compassionate care through end-of-life.

“We had heard of the wonderful place that ARCH was but until you have the experience yourself you do not realize how the environment, professional caring workers, and volunteers combine to make the loved ones and families’ final days together as easy and homelike as possible. Thank you to this wonderful community of people for your care and kindness.”

- A Hospice Family



## Glossary of Terms

**Advance Care Planning:** a process that involves reflecting on your values and wishes, and letting people know what kind of health and personal care you would want in the future if you are unable to speak for yourself. It may also include writing down your wishes and talking with healthcare providers and financial or legal professionals.

**Beneficiary:** any person or organization that receives assets from a person after that person’s death.

**Bequest:** the property or money that you indicate in your will to give to another person or organization after you die.

**Capital gains:** a profit from the sale of property or an investment.

**Codicil:** an addition or supplement that explains, modifies, or revokes a will or part of one.

**Estate:** all the money and property owned by a person.

**Executor:** an executor is entrusted with making sure a person’s last wishes are granted with regards to the disposition of their property and possessions. An executor of a Will is responsible for making sure that any debts and creditors that the deceased had are paid off and that any remaining money or property is distributed according to their wishes.

**Fair Market Value (FMV):** the price that something would sell for on the open market.

**Life Income Fund (LIF):** a type of registered retirement income fund (RRIF) offered in Canada that is used to hold pension funds and eventually payout retirement income.

**Locked-In Retirement Account (LIRA):** a type of registered retirement savings alternative in Canada that locks in the pension funds in investments.

**Planned gift:** any major gift, made in lifetime or at death as part of a donor’s overall financial and/or estate planning.

**Planned giving:** a way to support non-profits that enable people to make larger gifts than they could make from their ordinary income.

**Probate fees** (also known as estate administration taxes): taxes charged on the total value of the deceased's estate.

**Registered Retirement Income Fund (RRIF):** a tax-deferred retirement plan under Canadian tax law. Individuals use a RRIF to generate income from the savings accumulated under their Registered Retirement Savings Plan.

**Registered Retirement Savings Plan (RRSP):** a type of Canadian account for holding savings and investment assets.



"It was a difficult decision for me not to return to the Sault while my grandmother was in her final days. However, I knew that she was in the loving hands and arms of a dedicated staff. I was able to find comfort knowing that she was shown the kindness and love in her last days as she truly deserved. I am forever grateful that she was treated with the utmost care in return for her years of caring for her family. She deserved to have the 'royal treatment' and I am so thankful she was given just that. I am also grateful that my parents were shown that same kindness and caring. In her last days, they were able to just enjoy her and love her."

- A Hospice Family

"ARCH is a very special place, and not just the premises. The staff are remarkable during one of the most difficult time in people's lives. You have made the final journey for our much loved mother so peaceful. Thank you!"

- A Hospice Family

## With Your Planned Gift...

We are able to create space for living and honour what matters most to each of our residents.

Your support allows us to provide loving, compassionate hospice palliative care services, education and advocacy to our community.

From all of us at ARCH Hospice, thank you for supporting quality, compassionate care through end-of-life.



ARCH  
hospice

Comfortable End-of-Life Journeys

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