



# charitable bequests



## Your Last Will & Testament

Your Last Will & Testament is the cornerstone of your estate planning, yet less than 50% of Canadians have a legal Will in place. If you die intestate (or without a legal Will) then the government will determine how your estate will be disbursed. When that happens, the government does not select charitable organizations as beneficiaries. If you wish to ensure that a charitable organization –

like Habitat for Humanity Halton/Mississauga – receives a portion of your estate, then it is important that you have a legal Will in place.

Your Will is your final wishes put into writing and provides detail on how you wish to distribute your assets after your death. A legal Will enables you to ensure that your wishes for your family and other beneficiaries are accomplished. Without a properly executed Will in place, the government will decide how your

estate will be distributed. Habitat for Humanity Halton/Mississauga strongly encourages donors to seek the services of a qualified and experienced estate lawyer to prepare a Last Will & Testament. Along with loved ones and others who have given meaning to your life, we invite you to remember Habitat for Humanity Halton/Mississauga in your Will. This is one of the simplest and most flexible ways to create a lasting legacy.

A bequest to Habitat for Humanity Halton/Mississauga is not only a lasting gift that will help us continue to deliver on our mission locally, but remembering us in your Will also has practical benefits for your surviving heirs. Your estate will receive a tax receipt for the full amount of the donation which may offset capital gains or other taxes due.

Bequests can take the form of a percentage of your estate, a specific

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cash amount, property, securities or other assets. A charitable bequest included in your Will has no financial effect on you during your lifetime. At your direction, your lawyer can include a clause in your Will naming Habitat for Humanity Halton/ Mississauga as the beneficiary.

If you already have a Will, the easiest and least expensive way to include a bequest is to add a codicil, where you specify the amount of your gift and name Habitat for Humanity Halton/ Mississauga as beneficiary. The provisions of your existing Will would then remain unchanged.

## **Different Charitable Bequests:**

You have the option to choose a charitable bequest that best suits your philanthropic and financial situation.

**General Bequest:** Directs that Habitat for Humanity Halton/ Mississauga will receive a designated sum. For example, you might make a general bequest of \$25,000. You may prefer this arrangement because it is considered a primary charge against your estate, which means it will most likely be fulfilled.

**Percentage Bequest:** This directs that Habitat for Humanity Halton/ Mississauga receive a pre-determined percentage of your estate (i.e. 10%). The advantage of a percentage benefit is that it keeps your gift in line with the value of your assets as they change.

**Specific Bequest:** This directs that the Habitat for Humanity Halton/ Mississauga affiliate receive a specific piece of real estate, the stock from a specific company or some other specified

property. Specific bequests are often the most tax-efficient way to support our mission locally.

**Residual Bequest:** This designates that Habitat for Humanity Halton/ Mississauga receive all or a portion of whatever remains of your estate after all named beneficiaries, debts and administrative fees for settling your estate have been paid. The advantage of a residual bequest is that your charitable intentions will not jeopardize the amount you want to bequeath to your primary heirs and beneficiaries. The disadvantage is that there may be nothing left over to fulfil your charitable goals.

**Contingent Bequest:** As the name implies, this is contingent on some event. Usually you might make a primary bequest to a relative with the contingency that if that relative should predecease you, the bequest would pass to Habitat for Humanity Halton/ Mississauga instead.

## **Tax Benefits and Considerations**

When you make a bequest to Habitat for Humanity Halton/ Mississauga, your estate is eligible to receive a donation receipt for the full value of your bequest. Your Executor can then claim a tax credit for up to 100% of the net income on your final tax return. Any unused credits can be applied against your previous year's income, again, up to 100% of your net income. This means that you can make a significant charitable gift, and your estate and heirs can reap the tax benefits of your generosity.