Endowing the Future

“St. Clement’s has always held a special place in my heart.”

With the Eglinton subway station the final stop on the Yonge Line and Nathan Phillips still mayor of Metropolitan Toronto, Christine (Clark) Featherstone ’67 began a near life-long connection with St. Clement’s School.

“My parents enrolled me in St. Clement’s School in 1960 and I am most grateful to them for that,” Christine explains from her home in Port Carling, Ontario.

“My years at SCS were happy ones. I was a student in both the Junior and Senior Schools, was thoroughly immersed in school activities, and made wonderful friends that I have remained close with to this day.”

After SCS, college and university, Christine forged a career in the charitable sector, including time as President and CEO of ABC CANADA Literacy Foundation, National Executive Director of Girl Guides of Canada and other organizations. Yet, she has always found time to return to her roots on leafy St. Clements Avenue.

“For thirteen years, I was privileged to sit on the School’s Board of Governors, serving on several committees,” she says. “And, for two years, I Chaired its Advancement Committee.”

As a student, it wasn’t always easy for Christine to fully appreciate just what St. Clement’s meant to her, but in the years since then she has often reflected on what a truly remarkable and important place the School has been and remains.

“SCS’s philosophies and girl-centred approach to teaching truly helped shape who I am today,” she shares. “More than once I have said thanks to St. Clement’s.”

It is that unwavering belief in SCS that has left Christine convinced of the School’s ability to change girls’ lives in profound and long-lasting ways.

“There is a wonderful blending of ages and stages at St. Clement’s that is lost in a larger school,” she explains. “The students are vitally active and deeply engaged in the School and in the world beyond. Their energy is electric, their enthusiasm contagious. They believe they can do anything — and they can! These girls give me such hope for the future and will become the leaders of tomorrow.”

For all of those reasons and others, Christine chose to remember St. Clement’s School with a gift in her will.

“A legacy gift enables me to do something much more substantial than I might otherwise have been able to do for an organization that has given so much to me and has been an integral part of my life for over 55 years,” she explains.

By remembering St. Clement’s School in her estate plans it has enabled Christine to focus her contribution in the area of endowment for scholarships and financial assistance which means the most to her. “I want as many girls as possible to have the same wonderful experiences that I had at St. Clement’s.”

“I believe deeply in the impact a strong endowment fund can have, and I have absolute confidence that my gift will be used effectively and according to my wishes.”

You too can help future generations of young women by leaving a legacy gift to St. Clement’s School. Gifts may be of any amount, and you may direct how your gift should be used. Janice Meighan, Senior Development Officer, would be pleased to help you turn your St. Clement’s School philanthropic wishes into reality. Please contact her at janice.meighan@scs.on.ca or 416 483 4414 x 2272.

Let’s plan for the future!
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Christine Featherstone '67
Exploring a Hot Topic

{Probate Fees}

To many Canadians, probate fees applied to the total value of all assets owned by the deceased at her/his time of death, seem like an unfair tax. Probate fees are a topic that people often consider when updating their Wills, leaving them asking, “how can these taxes (fees) be reduced?”

There are many creative ways to minimize probate fees. Here are a few:

1. By leaving your assets like life insurance policies, annuities, TFSAs, RRSPs, RIFFs, and pension benefits to your beneficiaries directly, rather than including them in your Will.

2. Jointly-owned real assets for personal use - like homes, cottages, joint bank accounts, GICs, or other financial instruments - will go directly to a surviving spouse without probate fees.

3. Making gifts of cash, life insurance, gift annuities, and charitable trusts to St. Clement’s School during your lifetime instead of through your estate, exempts them from probate fees and allows you to enjoy the immediate tax benefits of giving.

While these and other ways can reduce probate fees, everyone’s situation is unique and SCS highly recommends that you consult your advisors before proceeding. In the right set of circumstances, you can reduce your probate fees and protect your survivors from unnecessary financial hardship. It’s all good planning!

Example: The estate administration tax is calculated on the total value of the estate less encumbrances on real property. For an estate valued at $2,000,000 in Ontario the tax would be calculated as follows:

- $5 per thousand for the first $50,000 of the estate
- $50,000 ÷ $1,000 = 50
- 50 X $5 = $250

Plus
- $15 per thousand for the remainder of the estate
- $2,000,000 - $50,000 = $1,950,000
- $1,950,000 ÷ $1,000 = 1,950
- 1,950 X $15 = $29,250

For a total of $29,500 ($250 + $29,250 = $29,500)

Women and Estate Planning

Estate planning is complex and challenging but it doesn’t have to be overwhelming. Since women often live longer than men, financial planning for future security is of great importance. Often women’s financial concerns are different from men’s; by seeking information and consulting with accountants, lawyers, life insurance or financial planning professionals, you are taking the steps toward a sound financial future. Your planning will help to ensure that the people and organizations that are important to you will be able to receive your assets in the most efficient way.
Gifts that Keep on Giving – Endowments

St. Clement’s School uses many gifts to satisfy short-term needs. Often, however, donors want a long-term investment and ask, “How can we make a gift that will last for years?” Our answer is simple - an endowment.

An endowment is a gift of cash, securities, or property. Invested by the School’s professional financial managers, only the income generated by the investment is used each year; the capital continues in perpetuity. Donors can designate how they would like it to be used – Financial Assistance, programs, capital/special renovation projects, or almost anything else.

For the donor, an endowment is an ideal way to make a long-lasting and meaningful gift to St. Clement’s. It is often the best way to fund an area of special interest, to provide a memorial to the life of a loved one, or to help assure expanded student opportunities for generations to come.

While endowment gifts are usually substantial, they can be made in several ways and we can tailor a customized plan to fit your wishes and capabilities. You can make a gift now, but have payments begin only when the fund reaches a certain size or on a certain date. It can also be made as an estate gift. And as with other gifts, an endowment gift creates a tax credit. In effect, two levels of government are contributing to your endowment!

An endowment is a gift that can bring great satisfaction. Our Advancement Office is always pleased to work with donors to develop an endowment that is meaningful for them.

Since 2007, gifts of appreciated publicly listed securities (PLS) made directly to charities incur no tax on capital gains and you receive a charitable tax receipt for the full market value of your donated security. An increasing number of people are also using PLS’s as a creative way to make a gift to causes they care about through their estates.

Leaving a PLS in your Will as an estate gift to St. Clement’s School is a donation option that can actually increase gifts to heirs and other beneficiaries if it is structured the correct way. The charitable estate gift will create a tax credit which can be applied to 100% of the individual’s net income in the year of death and applied to the previous tax year retroactively if required. Capital gains tax (taxation on 50% of the gain) which would have been paid by the estate is avoided completely. So, the charitable tax credit will add to the net value of the estate and this can flow to other beneficiaries.

Tips on donating PLS’s:
1. The reduction in the inclusion rate to 0%, instead of the normal 50%, will apply only if the security is given directly to the charity.
2. The fair market value of your security is based on the closing market price on the day that it is given. That day is usually the day that St. Clement’s School’s broker receives the securities transfer. The Advancement Office at the School would be glad to clarify this for you.
3. Your estate trustee can choose the securities with the highest capital gain to optimize this strategy, if you give the trustee that power in your Will.

The tax incentives for donating securities either during one’s lifetime or as an estate gift, offer a creative way to plan, but always seek financial advice when doing so.