

YOUR GUIDE TO A GIFT OF LIFE BENEFICIARY

What is a Gift of Life Beneficiary?

Making St. Clement's School the beneficiary of a life insurance policy, RRSP, RRIF, or TFSA allows you to create a legacy at SCS once your needs and those of your loved ones have been met. Donating all or part of an RRSP, RRIF or TFSA is an effective way to reduce the taxes payable by your estate.

If you die without a surviving spouse or qualifying dependants, the full remaining value of your RRSP or RRIF is added to your income in the year of death. Your estate must pay the taxes, which often create large tax liabilities for your estate. If your RRSP or RRIF has a registered charity as the direct beneficiary, your estate will receive a donation receipt for the entire value of the plan, offsetting any tax liability. A gift of the beneficiary of life insurance or a TFSA can add to the value of your estate with a charitable tax credit by reducing other taxes.

The Francis C. Powell Heritage Society

Completing a Legacy Giving Commitment Form will inform us of your decision to create a legacy gift and provides you an opportunity to join the Francis C. Powell Heritage Society. The Society celebrates the legacy of the Powell Family and honours members of our community who choose to make provisions for a legacy gift to St. Clement's School.

(please turn over)

Benefits to you

- **Control** – You retain the use of the registered investment for the duration of your lifetime.
- **Simplicity** – It's easy to arrange. Simply ask your financial institution to change the beneficiary designation to St. Clement's School.
- **Flexible** – The designation is revocable and can be changed if your circumstances alter.
- **Cost effectiveness** – There are no extra out-of-pocket costs.
- **Elimination of probate, legal, and executor fees** – Your gift will not be subject to probate costs or delays in settlement. The full proceeds are payable upon your death.
- **Opportunity** – An opportunity to make a significant gift.

For further information please contact:

St. Clement's School Advancement Office 416 483 4835 x2272
21 St. Clements Ave., Toronto, ON, M4R 1G8 scs.on.ca/support-scs
Charitable number 10500 5805 RR0001

ST. CLEMENT'S
SCHOOL
Passion. Courage. Curiosity.



YOUR GUIDE TO A GIFT OF LIFE BENEFICIARY CONTINUED

How to

- Name St. Clement's School as the direct beneficiary of your life insurance policy, RRSP, RRIF, or TFSA. Upon your death, the proceeds will be paid directly to the School without going through probate and delay.

Or, name your estate as the beneficiary and leave instructions in your will to donate all or part of these financial instruments to St. Clement's School. You may specify a percentage or a specific dollar amount to be donated if you wish. **Note:** Your trustee will withhold taxes, and probate will apply when choosing this option.

- In both cases a charitable tax credit will be created for your estate, offsetting taxes and possibly enhancing the estate value for other beneficiaries.

See the financial institution administering your life insurance policy, RRSP, RRIF, or TFSA to change the beneficiary.

For example

Mrs. Jones makes St. Clement's School the beneficiary of her RRIF when she dies. This leaves a legacy gift of \$120,000 to the School. Here is what happens:

- Mrs. Jones creates a future gift to have a meaningful impact on the school at the time when she no longer needs the money. Her estate receives an immediate tax credit of \$120,000, offsetting other taxes of approximately \$54,000 that can be distributed to heirs.

Please seek expert advice

St. Clement's School strongly recommends that you seek professional insurance and legal advice to ensure that your financial goals are considered, that your tax situation is reviewed, and that your legacy gift is tailored to your circumstances. A financial or legal advisor should review in detail what plan best fits your needs. Before considering any, you should already have satisfied the needs of your family.