



Charitable Giving on Death

A charitable gift in your Will can be an important part of your estate plan. However, you must be very careful so that your intentions have the desired results, you balance your charitable intentions with other demands on your estate, and you maximize the tax benefits flowing from your generosity.

You Need A Will to Give to Charity on Death

If you want to leave part or all of your estate to a charity, you must have a Will. If you die without a Will, the government will provide only for blood relatives. Charities will not receive any part of your estate.

Value Added in a Lawyer-Prepared Will

If charitable giving is part of your estate plan, it is important to see a lawyer to make certain that the legacies are properly drafted. The do-it-yourself approach, which is always dangerous, presents special challenges where charitable giving is involved. Our lawyers will make certain that your charity of choice actually exists, that it is properly named and identified in your Will, and that it will accept your testamentary gift. We will also include clauses providing guidance to your Estate Trustee if your selected charity no longer exists at the time of your death.

Give Wisely

It is important that you balance the needs and wishes of your family and other beneficiaries with your desire to give to a charity. You also want to make sure that undue limitations are not placed on the ability of the charity to use the gift. We can provide guidance on these issues and help you make certain that your charitable dollars end up in the right place.

Stay Current

Review your Will periodically to make certain that your charitable provisions reflect your current intentions and circumstances. For example, you may have changed churches, or a charity may have moved or changed its name, operations or objectives. It is also possible that tax laws regarding charitable giving will change, perhaps affecting what and how much you give to charity.

Tax Implications of Charitable Gifts in Your Will

Tax law in Canada currently provides significant tax advantages for those who give to charities in their Will. The tax credit for a gift by Will can offset 100 percent of income for the year of death, and can be carried back to reduce taxes payable for the prior year. For purposes of a charitable donation tax credit, the value of the gift is its value immediately before your death, not its value when you made your Will or its value when the property is actually received by the charity.

Final Thoughts

Charitable giving in your Will is a wonderful way to support causes or institutions that have been important to you during your lifetime. It can also ease the tax burden on your Estate in a significant way. If you are inclined to consider churches, public institutions or charities in your Will, give us a call to discuss it.

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