

# The 'Charity Child' – your community as part of your family

When thinking about preparing a Will most individuals divide their estate among their immediate family and friends. They want to be sure that they can provide for the needs of their loved ones. But what people may not consider are the possible tax consequences to this decision.

Ask yourself, "if you had a choice to give a portion of your estate to the government in tax, or to a charity like St. Joseph's Healthcare Foundation, which one would you prefer? The answer is probably obvious. Including a **Charity Child** could be of real benefit to those who are interested in providing for their loved ones, leaving a legacy to their community and limiting taxes to their estate.

For example, through careful estate planning a family with three children divides their estate into quarters, leaving the last quarter to go to charities or a charity such as St. Joseph's Healthcare Foundation. Upon the death of both parents, the Will outlines that each child will receive  $\frac{1}{4}$  of the estate. The fourth quarter is dedicated to the **Charity Child** and directed to the cause(s) that are dear to their heart.



By placing a charitable bequest in one's Will the estate will benefit and receive a charitable tax receipt for the gift. This will help off-set tax payable at death. The children will still receive the portion allotted to them and they can celebrate their parent's legacy of making a difference in the community through their philanthropic efforts.

Estate planning is an evolving process. While you are young and your children are dependent, you may not think about including an outright gift to charity in your Will, but you may consider adding a **contingent bequest** to your favourite charity. That is to say, if everyone in the family were to perish, the charity would receive the portion that was designated for family members. As you get older, and the needs of your maturing loved ones change, the prospect of leaving a legacy such as a **Charity Child** may help not only plan for the tax consequences of the estate, but also leave a lasting impression on your children and our community.

Many of our donors were once recipients of our healthcare services. Through their expression of gratitude they feel they want to give something in return. For some, financial circumstances may restrict them from giving significantly during their lifetime, so they plan their donation through their estate.

If you decide to include St. Joseph's Healthcare Foundation in your estate plans, please let us know. Foundation staff can offer assistance to lawyers and individuals inquiring how to include St. Joseph's in their Will planning. We also want to ensure bequests will be used according to our donor's wishes and inform them of the various recognition opportunities available for these gifts.

On behalf of the patients and staff of St. Joseph's Healthcare Hamilton, our sincere thanks to the many donors who have chosen to make a lasting contribution to our hospital by including a **Charity Child** in their Will.

For further information on how to include a bequest in your estate planning, contact Lisa Gonnering, Estate & Gift Planning Officer at 905.522.1155, ext. 35978.

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FOUNDATION