

# YOUR LEGACY

for your family and health care in your community



Fundraising for Excellence.  
Dundas Manor Long-Term Care Home  
Winchester District Memorial Hospital

The following interview took place with a real donor who has made gifts in the past, and also recently informed our team that we were one of two charities he's chosen to donate to in his estate plans.

**CHELSEA:** Richard<sup>1</sup>, thanks so much for coming to the hospital to chat with me today. I'm hoping that we can discuss the gift you would like to give to us, of half of your Registered Retirement Investment Fund (RRIF).

**RICHARD:** It's my pleasure, I hope it helps.

**CHELSEA:** Your gift will make a difference, thank you. Can we start with why you like the idea of donating to the WDMH Foundation?

**RICHARD:** I thought of the hospital because WDMH has been a part of my life for a long time, as all of my doctors have worked here and my mother was cared for and passed away here.

I've also had a lot of diagnostic tests at the hospital and it's a lot easier than going to Ottawa. The staff do the tests as pleasantly as you can expect, and I'm grateful for the kind care that I've received here.

It's really important to me that my gift would stay in my community. It would be more meaningful to me and my gift amount would do more too. At a national charity or just a larger regional one, my gift would be a drop in the bucket compared to giving it to local charity like the hospital.

Lastly, I admire your good expense ratio; in other words, that your team fundraises efficiently.

**CHELSEA:** I'm so glad to hear that you and your family have seen the excellent care at work here. I've been a patient too and know what it's like to be cared for as if you're family, that extra personal touch, and smile. It makes such a difference when you're sick or recovering.



You seem to have such clarity on what's important to you. Can I ask when and why you started thinking about planning for your future and estate?

**RICHARD:** A number of years ago I got interested in estate planning around the time that my Registered Retirement Savings Plan (RRSP) turned into a RRIF at 71 years old. I found out that by giving the whole of my remaining RRIF investments to charity, my estate would be entitled to receive a large charitable tax receipt that would offset almost all of the tax that would be owing on the amount of those investments.

**CHELSEA:** Yes, exactly! I recently learned that there are three further benefits of this type of gift, but only if you designate a charity on a multiple beneficiary form<sup>2</sup>, instead of your gift being managed through your estate.

The first, is that this income would be noted outside of your estate revenue, so it would be private<sup>3</sup>.

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## HAS COVID-19 IMPACTED YOUR PLANS?

See the back cover to learn how we might be able to help you see the impact you want, on your terms.



# Should I? We Hope You Will!

“This is a challenging time in health care. As always, WDMH and Dundas Manor will be here for our communities when they need us. Your support is so appreciated!”

**CHOLLY BOLAND**

Chief Executive Officer  
Centre of Excellence for  
Rural Health and Education  
Winchester District Memorial Hospital  
Dundas Manor Long-Term Care Home

Many people believe that their estate is too small to bother having a will, or, that whatever they have will be needed by their spouse or family. Such thinking is common, but it can prove to be problematic if they want to have an impact in their community. Most of us have far more in accumulated assets (and have paid off more debts) than we realize. So, without a will, your executors and family can face uncertainty, delays, and anxiety in settling your estate.

Experience has shown that creating a will is a wise personal investment of time and energy. Having a will ensures that your wishes are carried out and spares your executor and family additional trouble at an already difficult time.

In fact, a properly prepared will can actually preserve more of your estate’s assets to pass on to your heirs. Sound surprising?

so are not considered part of your estate. This can simplify an estate’s administration and will also reduce probate fees.

- Should you have an annuity that is not directed to a charity, leave the entire amount to a spouse. Your surviving partner pays tax only on future annuity payments he or she receives. It is advisable not to divide an annuity between two or more people, because its cash value goes into your estate and will therefore be included as taxable income.
- Review and update your will regularly. This allows you to keep up with new family situations and any changes in tax rules that occur. It also ensures that your will continues to serve your best interests and that of your family’s.

**Here are some suggestions from experts in estate planning that can help you preserve your assets:**

- If you have RRSPs and RRIFs, leave them directly to a spouse. This allows them to be moved, tax-free, into your survivor’s own RRSP or RRIF. If either fund goes into the estate, it is deemed income in the year of death and so is taxed accordingly – often heavily.
- Put assets into joint ownership. Assets jointly owned go directly to the other owner(s) and

**Of course, there is another good way you can minimize taxes on your estate – leave a legacy gift to the WDMH Foundation.** Your professional advisors can help you determine the gift amount that is an appropriate reflection of the legacy you wish to leave and can work to your best advantage. In doing so, you may leave more money in your estate for your heirs than you would have otherwise, while making a real difference to those who use the services of our hospital and enable us to provide compassionate, excellent health care, close to home.

# What is “Net Worth?”

Net worth is a measure of your financial position at a given time — the approximate value of all your assets, less any debts owed.

Knowing your net worth can be helpful in:

- **FINANCIAL PLANNING:** Awareness of your net worth is an essential component of all serious financial planning and investment decisions.
- **ESTATE PLANNING:** Knowing your net worth enables you to make better decisions on how to divide your estate between individuals you love, and the organizations you respect, like the WDMH Foundation.

Your professional advisors can help you plan wisely for your future. Everyone who leaves a legacy gift to the WDMH Foundation, regardless of its amount, enables both WDMH and Dundas Manor to provide effective and compassionate health care for family, neighbours, and friends in our community whenever it may be needed. And that is a powerful thing to do!

Plan wisely with your family, advisors, and us for the impact you want to make.



## Plans, Funds, and Gifts for *Local Health Care*

RRSPs or RRIFs can be used to create a gift for the WDMH Foundation and the financial savings for your estate could be significant.

Here’s why.

When a person passes away, the total value of the funds in their registered retirement account must be reported as income. This income is fully taxable to their estate unless funds in the registered account can be rolled over to a surviving spouse or a dependent child. However, if a charity like the WDMH Foundation is made beneficiary, the gift remains outside the estate, thereby reducing probate fees (because you’ve reduced your net income) while creating a gift that will provide a tax receipt for the estate. This receipt can be used

to offset other taxes or capital gains that may be incurred, leaving money for your family. It’s a win-win-win.

Check with your financial advisors. Gifts of RRSPs and RRIFs may be right for you. We would be happy to help you as well.

If you have already left any type of legacy gift to the WDMH Foundation, please let us know. Dream about what you would like your legacy to be for health care in our region, and let us help you make that dream a reality.

Thank you for your support. Together, we can offer outstanding health care and services to people in our community, when they need it the most.

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**The number of donors who have told us that we are in their future plans. *Thank you all!***

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And, because it would pass outside of your estate, you also wouldn't have to pay probate fees on this gift. Lastly, your favourite charity would receive your gift and create the impact you want quickly, without the delay of your estate having to be processed.

So, why would you choose to give part of your RRIF to WDMH as opposed to cash or a gift through your estate?

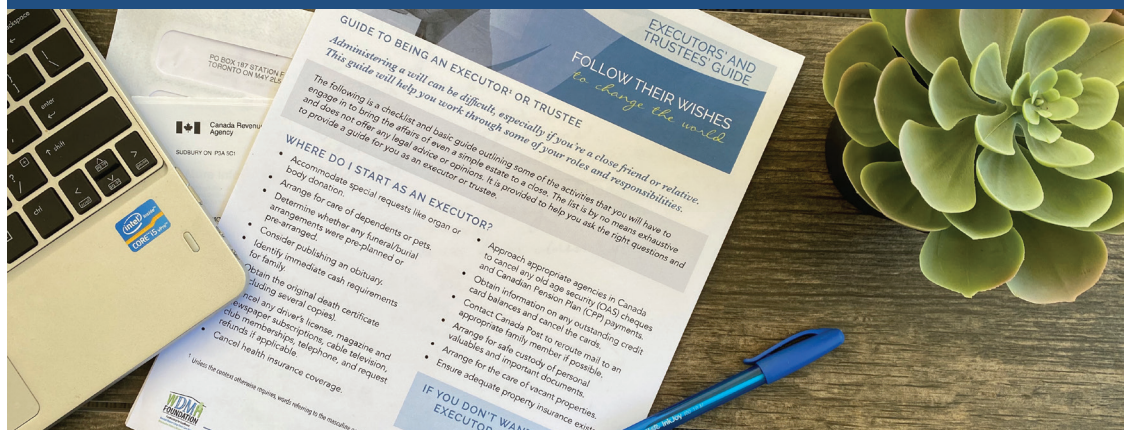
**RICHARD:** Well, I'm really pleased with the tax benefits that the government offers around gifts of our RRSP/RRIFs and wanted to take advantage of that. And since I don't have kids to leave it to, and I'll no longer need it, I wanted to give back to the community that served me. It's really just about impacting the community by helping the hospital to raise money.

**CHELSEA:** Well, thank you so much for agreeing to share your experience with me, Richard. I hope that other donors see this and are as inspired by your actions and dedication as I am.

<sup>1</sup>Names have been changed to respect the donor's privacy.

<sup>2</sup>Talk to your financial planner who manages your RRSP/RRIF regarding obtaining one of these forms.

<sup>3</sup>All wills become public record through the passing of the state of accounts in the courts. By using a multiple beneficiary form, your RRSP/RRIF would be directly transferred to the charity, bypassing your estate (although you would still owe tax on this, the receipt generated would likely offset much of what is owed). This method would mean that you would not have to pay probate fees on the amount of your RRSP/RRIF.



## A Word about Executors

Your executor (or estate trustee) ensures your assets are distributed as you wish.

You need a methodical, trustworthy person who is willing to take on the big task. It is also important to have someone who appreciates what is important to you personally. If your estate is simple, you might choose a family member, with an alternate named, should your chosen executor be unable to serve. A more complicated estate might require several executors, each responsible for a specific part of the estate.

Because of the complexities of some estates today, it might also be wise to consider a corporate trustee such as a lawyer, bank, or a trust company to act on your behalf. Executors can charge for their services, if they wish, but all are expected to make business decisions in the best interests of your estate.

Finally, it's to your advantage to arrange your will and other personal papers so that your executor can easily find them, clearly determine your assets and debts, and notify your beneficiaries.

### IMPACTED BY COVID-19?

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In response to the global pandemic, recent surveys of Canadian lawyers were conducted and show that there has been a 10-42% increase in making new wills amongst different age groups, and a more moderate increase in those who are revising their future plans.

Don't get us wrong, we hope we won't receive a future gift from you for many years. However, if we are in your plans or you would like us to be, please contact Chelsea today. She'll support you to make sure your gift does exactly what you want it to, in order to support the future of excellent health care in your community.



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[www.wdmhfoundation.ca/requestinfo](http://www.wdmhfoundation.ca/requestinfo)