Canadian Excellence

LAURIER

PLANNED GIVING

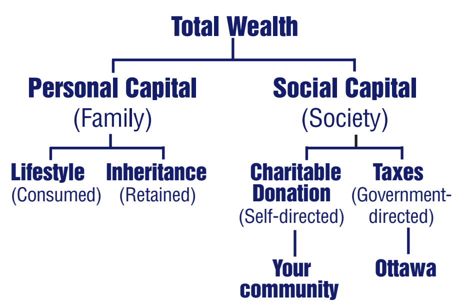
Take control of your social capital through planned giving

Financial advisors define social capital as money that is used in the community for the good of society.

And we all contribute to social capital, primarily through the taxes we pay on the money we earn, whether annually through our tax bills or with estate taxes at the end of our lives.

Through planned giving—that is, by including a donation to a charitable organization like Wilfrid Laurier University in your financial and estate planning—it is possible to directly affect how your contributions to social capital are used, and by whom. And you can do so in a way that provides relief from the taxes you pay.

"The public at large is going to provide the capital for the programs and services we all enjoy, either through private donations or taxes. But with a planned gift, you can do it more efficiently and more effectively than by leaving it up to the government to make the decisions about how our social capital is used," says Keith Gummow, a financial strategist with Lifetime Financial in Waterloo, Ontario. "With a planned gift you can support the causes that are important to you, and the money you give goes directly to the local organization to provide services that are needed in your community."



With decreases in public social spending, private giving has become more important—a reality recognized by the federal government, which has improved tax incentives to encourage charitable giving. And options for planned giving are increasing all the time—Laurier's planned giving options include wills and charitable bequests, life insurance, charitable gift annuities, publicly traded stocks, and charitable remainder trusts.

Gummow offers these points to keep in mind when considering your financial and estate planning:

- Leaving a bequest in your will provides a tax receipt against estate taxes. Donations of as much as 100 percent of income in the year of death can be used for tax relief.
- A charitable gift annuity provides an immediate income to both you and your family while generating a potential tax receipt for you.
- Securities can be donated with tax relief against capital gains.
- Donating a life insurance policy allows you to spend a little to give a lot. For example: a 38-year-old female who is a non-smoker and is in the 40 percent tax bracket buys a $50,000 life insurance policy designating a charity as owner and beneficiary. She pays $53.30 per month and in 10 years the policy is paid up. Because of her tax bracket, her out-of-pocket cost for a $50,000 gift is merely $3,838 over 10 years.

"Over the next few years, the needs in our community are going to continue to grow, and private giving will become even more crucial," says Gummow. Planned giving offers significant benefits to both society and the donor. ❖

For more information, contact

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