

A PRICELESS INHERITANCE

Elaine and Harry did not think estate planning was for them – after all, other than some life insurance, a bit of RRSP savings and the family cottage, they had little financial assets. And really, their four kids would certainly not get rich from what would be left to them.

But when Elaine and Harry met with an ADVISORS with Purpose estate specialist to ensure that their Will was current and biblically sound, they were genuinely surprised to learn that they would leave an estate valued at close to \$675,000 – after a potential tax bill of around \$74,000.

After considering several options Elaine and Harry chose to add a fifth child as a beneficiary to their Will – a “Child Called Charity”. This option allowed them to eliminate the tax bill and leave a little over \$150,000 to each child. But the real blessing came when they saw that they could leave a gift of over \$135,000 to charity. Never in their life had they been able to make that kind of donation.

And when Elaine and Harry told the children how, through their Will they would continue to build God’s Kingdom, the legacy they left their children was indeed priceless.

GIVING MORE MEANING TO YOUR MONEY

Mike and MaryAnn were a couple in their 40’s who through hard work had accumulated some financial security that allowed them to live a pleasant lifestyle.

Writing a Will had not been a high priority for Mike and MaryAnn as they did not have children and so had never considered the issue of inheritance and knowing that if one of them died the other would inherit the assets was comfort enough for them. But when one of their favourite charities suggested they meet with a representative from ADVISORS with Purpose to consider how their ongoing accumulation of assets could take on more meaning now and after their deaths they responded.

Through the process of estate planning, Mike and MaryAnn learned that had they died without a Will in place, someone would have had to make decisions dealing with the increased costs and that a substantial amount of their estate would have gone to the government in taxes. With the counsel they received from the estate specialist Mike and MaryAnn made some important decisions that not only effectively wrote the government out of their Will but would generate substantial charitable gifts for the work of some of their favourite charities ensuring the long term sustainability. This brought new meaning to their money.

WHAT WILL HAPPEN TO THOSE RRSP’S?

David and June had paid attention to preparing for retirement over many decades and with advice, had carefully tended to their registered investments. Now well into retirement, they realized that it was possible that much of that money would remain behind. They thought that it could simply be rolled over to the children but a friend said much would go the government in taxes.

While meeting with an estate specialist from ADVISORS with Purpose David and June learned that indeed registered assets can only be passed to a surviving spouse or disabled child and in the absence of either, the assets will be added into income, generating a tax liability against the estate. However, they further learned that the Canadian government will allow a charity to be named the beneficiary of registered accounts, meaning they could leave some or all of their RRSP / RRIF to charity and through the resulting donation receipt, effectively wipe out the entire tax liability. David and June decided to instruct their RRSP provider to include a charity as a secondary beneficiary.

Our partners at ADVISORS with Purpose are pleased to help you look at your many options as you plan your Will and estate.