

COMMON QUESTIONS

TAX PLANNING

When you plan a future gift to charity your estate is entitled to a charitable tax receipt for the value of your gift. This can significantly reduce taxes owing when your final income tax is filed. Some gifts also reward your generosity with tax receipts annually to relieve tax burdens now.

WHAT DO I DO AFTER I HAVE CHANGED MY POLICY OR PLAN?

When you have completed your changes on behalf of the Interfaith Food Bank, we hope you'll let us know so we can express our thanks and discuss how you wish your future donation to be used. With your permission, we will list your name among the growing numbers who have provided future gifts to Interfaith Food Bank Society of Lethbridge



WHY INCLUDE THE INTERFAITH FOOD BANK

OUR MISSION

Interfaith Food Bank Society of Lethbridge recognizes the human dignity of those in need and provides food and access to services and resources generated from within our community.

ABOUT US

We cater to those in a variety of situations, ranging from single-parenthood, to seniors on fixed incomes, to the under or unemployed, or to those with other social or economic barriers. We have been providing emergency food services to citizens of Lethbridge and area since 1989. Since then, we have grown exponentially as the community recognizes, assesses and attempts to satisfy the needs of those in crisis, nearly 1/2 of who are children. As a non-government, community organization, we act as a bridge between those who can give, and those who require assistance.

The information contained within this brochure is intended to suggest options for giving that are beneficial to both the charitable organization and the donor. For more information we invite you to contact us directly.

Guide to Charitable Contributions

LIFE INSURANCE and RETIREMENT FUNDS

Provided by:
Interfaith Food Bank
Society of Lethbridge



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Lethbridge, AB T1H 0H6

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CHARITABLE GIVING

Making a substantial gift to charity is appealing to many of us; however, it is not a luxury we will all experience during our lifetimes. Often, wills and bequests are used to plan for charitable giving after our time has come and gone, but there are other options for future giving. Life insurance and retirement assets can also be set aside for charity, and they are revocable, which means their provisions can be changed at any time.

LIFE INSURANCE

Insurance is not subject to probate and therefore flows outside of your estate and is not subject to challenge. Life insurance can provide a significant future gift with a very reasonable cost to you. There are two methods:

NAMING A CHARITY AS BENEFICIARY*

Naming a charity as the beneficiary you retain ownership of the policy. This allows the donor to change the beneficiary should the need arise and circumstances change. Upon death, the estate will be entitled to a charitable tax receipt for the amount of the proceeds; this credit is then applied to the donor's final tax return. This is preferable to donors who wish to have access to the

cash surrender value of the policy during their lifetime.

TRANSFERRING OWNERSHIP*

Naming the charity as beneficiary and transferring ownership of the policy to the charity will provide a charitable tax receipt for its value (usually cash surrender value) immediately, which will minimize your tax burden in the present. All premiums paid in subsequent years are also eligible for a charitable tax receipt. This option is often preferred by those whose policies provide for more than immediate needs, for example when there are no heirs or when family members are not dependant upon the policy for their financial security.

Life insurance can help you make a truly generous gift, as with all charitable gifts you should consult your financial or legal advisor as to which is most appropriate for your situation



RETIREMENT FUNDS

Those who own a registered retirement savings plan (RRSP) or a registered retirement income fund (RRIF) can make charitable gifts of all or a portion of the funds in the plan remaining at death. Financial planners can simply change the beneficiary on the plan to include the charity. Policy holders are able to select a percentage of remaining assets to be distributed to the charity and/or to any other beneficiaries. This transfer at death can be taken by the charity in cash, or the securities can be transferred in-kind (as is). Once again, your estate is entitled to a charitable contribution receipt for the amount of the gift which is applied to the donor's final tax return.

As with any gift to charity, gifts of life insurance or retirement funds can be designated for general/operating purposes or for a specific program or campaign.