

# Your Catholic Legacy



Archdiocese  
of Toronto

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## Gateways of Mercy

St. Paul's Basilica was the home of the seventh annual Legacy Society Mass and lunch. The Society was established as a special way to say thank you to parishioners who have included their parish or favourite archdiocesan charity in their Will or estate plan.

At the lunch, Legacy Society members listened attentively as Thomas Cardinal Collins shared his personal collection of crucifixes and explained their deep theological meanings. His Eminence also led all in attendance through the Basilica's Holy Door. This was of special significance as Pope Francis has named this year the Jubilee Year of Mercy. To mark the year (and in union with Rome) the nine Holy Doors of the Archdiocese of Toronto have been opened, one of which

is at St. Paul's Basilica. Normally this only occurs every 25 years!

A passport card was given to everyone showing the location of the Holy Doors in the Archdiocese of Toronto and how to acquire the pilgrimage stamp after walking through one. If you would like to have your own passport, contact the Development Office and we would be pleased to mail you one.

*If you have included your parish or favourite archdiocesan charity in your estate plan and would enjoy being invited to future Legacy Society events, please let us know. We would be happy to include you!*



# Faith-Filled People



## Among the Most Generous of All Canadians!

A recent study\* measured the connection between religious conviction and charitable giving. The study examined three groups of people who identified themselves as: 1. Actively religious 2. Spiritual (but not actively religious) and 3. Not at all religious. The study discovered there is a strong correlation between religious conviction and generosity. The results showed:

- “Actively religious” people were 2.4 times more generous than people who were “Not at all religious” and 60% higher than “Spiritual donors”.
- Among people who gave \$10,000 or more, 60% referred to themselves as “Actively religious”.
- “Actively religious” people by far support more charitable causes than any another group.

With these wonderful results in mind, it can be an enlightening exercise to see where we are in terms of our own charitable giving. Below is a table we can glance at to see what percentage of our income we give to Canadian charities.

Household Income		Monthly Giving to the Charities of Your Choice**								
Yearly	Monthly	1% Monthly	1.5% Monthly	2% Monthly	2.5% Monthly	3% Monthly	3.5% Monthly	4% Monthly	4.5% Monthly	5% Monthly
\$15,000	\$1,154	\$12.00	\$17.00	\$23.00	\$29.00	\$35.00	\$40.00	\$46.00	\$52.00	\$58.00
20,000	1,538	15.00	23.00	31.00	38.00	46.00	54.00	62.00	69.00	77.00
25,000	1,923	19.00	29.00	38.00	48.00	58.00	67.00	77.00	87.00	96.00
30,000	2,308	23.00	35.00	46.00	58.00	69.00	81.00	92.00	104.00	115.00
35,000	2,692	27.00	40.00	54.00	67.00	81.00	94.00	108.00	121.00	135.00
40,000	3,077	31.00	46.00	62.00	77.00	92.00	108.00	123.00	138.00	154.00
50,000	3,846	38.00	58.00	77.00	96.00	115.00	135.00	154.00	173.00	192.00
60,000	4,615	46.00	69.00	92.00	115.00	138.00	161.00	185.00	208.00	231.00
70,000	5,385	54.00	81.00	108.00	135.00	162.00	188.00	215.00	242.00	269.00
80,000	6,154	62.00	92.00	123.00	154.00	185.00	215.00	246.00	277.00	308.00
90,000	6,923	69.00	104.00	138.00	173.00	208.00	242.00	277.00	312.00	346.00
100,000	7,692	77.00	115.00	154.00	192.00	231.00	269.00	308.00	346.00	385.00

\* The “Burk Donor Survey – Where Philanthropy is Headed in 2013 – Canadian Results” was conducted by Cygnus Applied Research Inc., a well-respected research firm.

\*\* The calculations in the table are based on 52 weeks in a year. All numbers have been rounded up or down to the nearest dollar.

# SMART ESTATE PLANNING

## STRATEGIES TO REDUCE PROBATE

To make things as easy as possible for your family after your death, it's necessary to understand the effect of probate fees on your estate.

Probate fees (officially known as “estate administration taxes”) are paid to provincial governments to validate the authenticity of a final Will and to certify that the legal personal representative has the right to administer your affairs after your death. Separate probate will be required for assets held in different provinces or countries.

Probate is generally required to sell real estate as well as deal with assets held by third parties (i.e. banks and stock brokerages). Ontario probate fees are based on the gross value of the estate, without taking off any liabilities other than mortgages against real estate. The fees are 0.5 per cent on the first \$50,000 and 1.5 per cent thereafter. An estate of \$1,000,000 would bear a probate fee of \$14,500.

Here are ways to minimize the cost of probating your Will:

### 1 Joint names:

Hold assets in joint names with a right of survivorship. This allows assets to automatically pass to the surviving party. The fees will be payable only when the last survivor passes. If an individual owns 100 per cent of an asset (i.e. real estate or marketable securities) and then puts it in joint name, a capital gains tax may arise. Be sure that if you put an asset in a joint name that this is your true intention, especially if other survivors exist. A survivor may have no obligation to share the asset, and litigation among siblings may result after the death of the original holder. Document in writing the true intentions. Be aware that putting an asset in joint name may put it at risk should the joint owner be involved in a lawsuit, bankruptcy or divorce proceeding.

### 2 Named beneficiaries:

If an insurance policy (RRSP, RRIF, Pension, etc.) has a “specifically named” beneficiary, the proceeds will pass directly to the beneficiary without the need for probate.

### 3 Transfer assets to a trust prior to death:

If you and your spouse are over 65 you can create a “living Will.” An individual can create an “alter ego,” trust while a couple with joint ownership over an asset can create a “spousal” trust. The individuals retain rights to the assets until they pass away. Such trusts remain private and avoid probate delays in transferring assets to beneficiaries. There are administration and costs of maintaining such trusts.

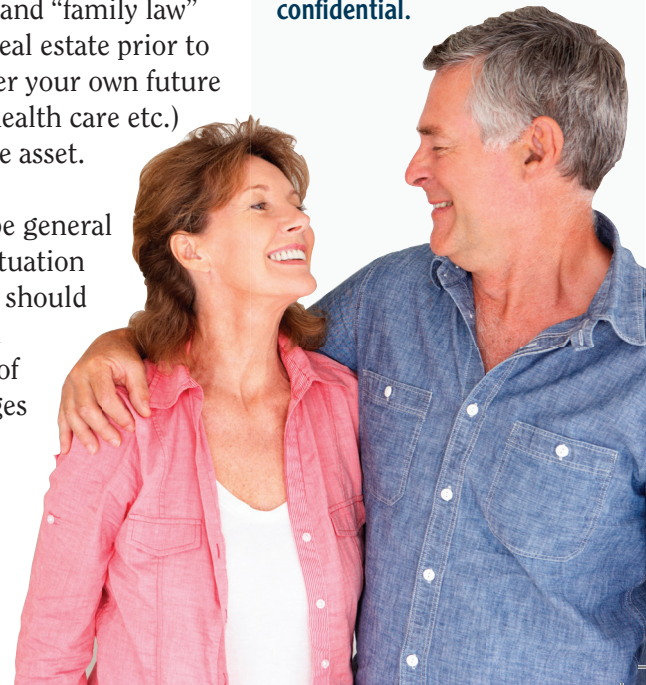
### 4 Transfer assets prior to death:

If you do not own the asset at death, then the estate value will be less. However, even though transferring assets can minimize the probate fee, you will lose control of the asset. Also, you may have capital gains subject to income tax on the sale or gift of the asset (except principal residence). There may also be “land transfer tax” and “family law” issues on transfer of real estate prior to death. Finally, consider your own future needs (i.e. financial, health care etc.) before transferring the asset.

This article is meant to be general in nature. Each person's situation is different and individuals should consult with a professional advisor, especially in light of recent and proposed changes to taxation law.

*A special thank you to Mr. Anthony Cusimano, C.A., C.M.A. C.P.A., F.R.I. for supplying the article. Anthony is a chartered professional accountant practicing in the Greater Toronto Area.*

**If you would like to receive a free Catholic estate planning guide to help you with your Will preparation, please contact the Development Office. All calls are confidential.**



## CANADIAN ESTATE PLANNING

### Using Insurance to Cover Executor Fees

Recently, a parishioner shared with our office a story about a smart strategy a deceased relative of theirs used to pre-plan for the payment of the Executor fees associated with their estate. Before death, the deceased took out a life insurance policy to cover the cost of their Executor fees.\*

The parishioner who contacted us was also the Executor of the estate as well as a named beneficiary in the Will. The life insurance policy was helpful to them as it removed any doubt from their mind as to whether or not they should collect the Executor fees associated with the estate. The life insurance policy showed that it had been the express wish of the deceased that they do so. This also helped to remove any possible ill will from other family members who may have become displeased that the Executor was collecting the fees (as mentioned, the Executor was also a family member and a named beneficiary in the Will).

Being an Executor can be a long, tedious and thankless job that may require years of work. In this instance, the life insurance policy made the journey a bit easier for the Executor. To learn more about how insurance planning can help you with your estate plan, speak to your financial advisor. If you do not have an advisor, the Development Office maintains a list of advisors throughout the Archdiocese of Toronto. We would be pleased to supply you with multiple names.

*\*In Ontario, Estate Trustee (Executor) fees are normally 5%, but may be higher if you are using a trust company. While the calculation won't be exact as the size of your estate will change over the years, you can use it as a guide. Ask your financial advisor for help with the calculation.*



Contact our office to receive your free copy of the Catholic Estate Planning Guide.

Our Faith  Our Future



### Contact us

Your Catholic Legacy, the planned giving newsletter of the Archdiocese of Toronto, is a free publication that is produced twice a year to keep parishioners informed about issues related to estate planning and the many tax-smart and creative ways they can support their parishes and Archdiocesan charities. While all articles are researched and come from reliable sources, you should always consult an advisor before making any gift.



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