

## Will Power: Legacy Gift Leaves Peace of Mind

How often can you make a wish come true? Jennifer Cawthorne has the certainty of knowing that one of her deepest desires – in fact, her last wish – will be realized.

Jennifer and her husband, David Shtogryn, have committed a percentage of their estate to Scarborough and Rouge Hospital Foundation. Arranging the legacy gift gave the couple a sense of fulfilment.

“In living your life, do whatever good you can – some things for yourself, some for your family and some for your community,” says Jennifer. “A Will is making sure that your final act will fit the same pattern of living. And that gives you peace of mind.”

Jennifer taught in Scarborough, and David worked in Ajax managing diagnostic imaging and lab services for a local hospital. Both are retired now, “We’re over 21 - way over,” laughs Jennifer.

The couple lives just minutes from Scarborough and Rouge Hospital’s Birchmount site, and Jennifer has used their services on several occasions, including gall bladder attacks, broken bones in her feet (“I have fine bones that break easily”), and a broken ankle suffered when she was getting off a horse. “The hospital has always been so helpful, well organized and comforting,” says Jennifer.



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Any time she’s at Scarborough and Rouge Hospital, Jennifer makes a donation as a gesture of thanks. “If I use it, I donate to it,” she says. In their Wills, Jennifer and David have left money to a few other causes, but only one hospital.

“Scarborough and Rouge Hospital is the only hospital we’ve made a legacy donation to. We consider it our hospital, and just want to show our appreciation for the years of excellent care,” says Jennifer.

Every year, Scarborough and Rouge Hospital Foundation receives more than a dozen bequests. Last year these legacies translated into more than \$800,000 in charitable donations.

To plan a tax-advantaged legacy gift, speak to professional advisors. For more information about leaving your legacy gift to Scarborough and Rouge Hospital Foundation, contact Verna Chen, Director of Stewardship and Legacy Giving, at 416-438-2911, extension 6040, or [vchen@tsh.to](mailto:vchen@tsh.to).

Many people don’t want to think about things like Wills and bequests, but to Jennifer there is something freeing about it.

“It’s so much kinder for those left behind to make all these arrangements, so nobody has to wonder and guess what you would have wanted,” she says. “Just the fact that the Will is set up in a way to benefit the hospital makes me feel settled. It gives me the opportunity to continue to be part of an important supportive structure in the community.”

# CPP Philanthropy™

You don't have to be rich and famous to leave a substantial charitable gift and enjoy significant tax savings. You may not need your monthly Canada Pension Plan (CPP) benefits to pay your bills. That money only gets taxed, re-invested and then taxed again. The CPP Philanthropy™ strategy uses your CPP benefits to fund a permanent life insurance policy, creating a substantial windfall for your family and the causes you care about.

## **A RECENT CASE:**

Husband and wife, both 65, each receive \$1,100/monthly in CPP benefits, for a total of about \$26,000 a year. They live in Ontario and pay tax at the highest marginal tax rate, 54%.

## **Strategy #1:**

### **Life Insurance Policy Owned Personally, Tax Savings Later**

Use the CPP benefits to pay the premiums on a joint-and-last-to-die life insurance policy for \$1.4 million. The charity, as beneficiary, will receive the insurance payout on the death of the second spouse. Their estate will receive a donation receipt for \$1.4 million, and save the family about \$700,000 in taxes.

## **Strategy #2:**

### **Life Insurance Policy Owned by Charity, Tax Savings Now**

As above, create a charitable gift of \$1.4 million using joint-and-last-to-die life insurance, this

time with the charity as owner and beneficiary of the policy.

Use the CPP benefit to pay the policy premiums and receive an annual charitable donation receipt of \$26,000, mitigating the tax payable on the pension benefit and replacing it with a large gift.

## **Strategy #3:**

### **Donate RRSP/RRIF By Will or Beneficiary Designation**

RRSP/RRIF will be fully taxed as income (at up to 54 per cent in Ontario) on the second death. A \$1-million RRSP/RRIF will only be worth approximately \$460,000 to their family, after taxes. This strategy designates a charity as beneficiary of the RRSP/RRIF, which mitigates the RRSP/RRIF taxes.

To replace the \$460,000 that would have gone to the family, use some of the CPP benefit to fund a \$500,000 life insurance policy to fund the tax liability, or use the entire CPP benefit to purchase a \$1.4 million joint-last-to-die insurance policy, with the family/estate as the beneficiary.

On the second death, the life insurance policy pays out \$1.4 million tax-free to the family. This represents an additional \$940,000 for the family (compared to \$460,000) and a large gift to charity.

Aside from compelling financial metrics, you will demonstrate and teach by example the importance of charitable giving.

That's real legacy planning for your children and future generations.

Please contact us for a no-obligation consultation. Philanthropy is our passion. We'd love to help.

***This article is courtesy of Mark Halpern, Certified Financial Planner, Trust and Estate Practitioner, WEALTHInsurance.com Inc.***

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## Understanding Powers of Attorney

A Power of Attorney is a legal document in which you give someone you trust (called your “attorney”) the right to make decisions for you if something happens and you are no longer able to look after matters on your own. The word “attorney” does not mean “lawyer.” The attorney can be your spouse,



a family member, a close friend, or anyone else you trust. Another option is to use a trust company to act as your attorney. The trust company charges a fee but will be professional and impartial.

There are three kinds of Power of Attorney. A Continuing Power of Attorney for Property covers your financial affairs (such as bill payments, bank accounts, investments, and

mortgages) and allows the person you name to act for you even if you become mentally incapable. A Non-Continuing Power of Attorney for Property covers your financial affairs but cannot be used if you become mentally incapable. You might use this, for example, if you need someone to look after your financial transactions while you are away for an extended period. Finally, a Power of Attorney for Personal Care covers your personal decisions, such as housing, diet, hygiene, and health care. You can name the same person as your attorney for both property and personal care, or you can name different people.

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If you become incapacitated and do not have Powers of Attorney, a family member can make health care decisions for you or apply to become a “guardian” of your property.

You don’t need to use a lawyer to prepare your Powers of Attorney but you may wish to use one, especially if your affairs are complicated. Either way, Powers of Attorney are powerful documents and should be given only after careful consideration to a person who is completely trustworthy and able to do what is required. It is also practical to have Powers of Attorney to make your life and those of your family members much easier.

## In Recognition

We are profoundly grateful to the following individuals who left a charitable bequest to Scarborough and Rouge Hospital Foundation between 2010 and April 2018. Together they contributed \$2.46 million towards medical equipment, capital projects, and other priorities. Through their bequests, often unknown to us prior to their passing, they created an enduring legacy that saved lives and improved healthcare for the people of Scarborough and beyond.

Violet Louisa Isabella Arnott	Karolina A. Jus
Reid Stanley Barlow	Kakoun Koch
Violet May Bartlett	Jessie Marguerite Leckie
Howard Billinghurst	Rita Kwei-King Lee
Kathleen Gwynne Bonner	Margaret May Leeman
Sidney Kerr Burton	Basil Eric Marsh
Karen Calderone	Maureen Theresa Masterson
Alice Dolorese Cameron	Janet Mary McGoey
Norman Wilfred Carter	Irene Rennye Cristina Pearse
Mary Chien	Lempi Ritari
Hang Yung Chiu-Lam	Dennis D. Roberts
Janet Allison Cleland	Mona Mae Robinson
Margaret Cleverdon	Earle Robertson Roden
James Conway	Marie Angela Rooney
June Cosburn	Margaret Jean Sibbick
Edna L. Davies	Mitra Indira Singh
Norma Audrey Dobbin	Hannah Po Yau Siu
Ann Dzick	Claire Marie Snowball
Clifford David Ellis	Richard Teunissen
Margaret French	Thelma Elsie Marjorie Thomson
Bruce Boris Geleff	Eric Tipping
Hermann Gerditschke	Vera Trimble
Harold Alan Green	Stewart Wesley Herbert Trussler
Enid Harling	Barbara Tucker
Joan Marie Harris	M. Lorraine Veitch
Albert Geoffrey Hearn	Margaret Vivian Waites
Jenny Abdul Hirji	Christine Walford
Martin Hullford	Viola Electra Webster
Hin Sheng Hung	Yu Chen Wei
Peter Shizuma Ito	Marjorie Laura Howard Wilson
Heldur Joe	Charles Gordon Woodard
Douglas Earl Jones	Gerald and Joyce Wright
	Lee Yuk Ying
	Gordon Alexander Young

**All gifts – whatever their size – are important and valued. It doesn't have to take a lot to make a real and lasting difference.**

This newsletter provides general information and ideas on charitable giving strategies and is not intended to replace legal or tax or estate planning advice.

If you have remembered Scarborough and Rouge Hospital Foundation in your Will, we encourage you to let us know so that we can invite you to the annual Legacy Circle event in honour of those individuals who have left or intend to leave a charitable bequest to SRH Foundation.

If you have any questions or need further information, please contact Verna Chen, Director of Stewardship and Legacy Giving at 416-438-2911 ext. 6040 or by email at [vchen@tsh.to](mailto:vchen@tsh.to).

### **Scarborough and Rouge Hospital Foundation has two offices:**

**General site:** 108 - 3030 Lawrence Ave. E., Scarborough, ON M1P 2T7

**Centenary site:** 2867 Ellesmere Road, Scarborough, ON M1E 4B9. The Foundation office is located in the main lobby.

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Charitable Registration Number:  
11914 2263 RR0001

