

## **BEQUESTS: *GIVING THROUGH YOUR ESTATE***

### **Your Will**

A Will is an essential document that allows you to choose what to do with the possessions and investments accumulated throughout your lifetime. A bequest – a gift given through a Will – is a popular way of making a future significant gift to charity while maintaining your present financial security.

### **Types of Bequests**

The most common types of bequests are listed below. In each case, you can direct the BC Epilepsy Society in your Will to receive a:

#### **Specific Bequest**

A specific dollar amount or stated fraction of the estate.

#### **Residual Request**

All or a percentage of the remainder of your estate after other specific legacies have been fulfilled.

#### **Contingent Bequest**

All or a share of your estate only in the event of the prior death of other named beneficiaries.

#### **Trust Remainder Bequest**

Income from a trust created in the Will. Upon the death of the beneficiaries, all or part of the principal is left to the BC Epilepsy Society.

Remember, a Will is fully revocable while you live: you retain control and can easily make revisions – should your wishes circumstances change – either by drafting a new Will or adding a codicil to your old one.

### **Tax Implications**

At your death, your estate is entitled to a donation receipt for your bequest, providing a significant tax credit on your final tax return that can be applied up to 100% of your taxable income. If the total of your gift exceeds 100% of income, the excess may be carried back to the preceding year's income tax return.

### **Bequests to the BC Epilepsy Society**

Your bequest to the BC Epilepsy Society can be made with a gift of cash, real estate, or securities. Sometimes it is more advantageous to give such property, such as in the case of appreciated listed securities, because of different tax treatments, especially on capital gains.

Most bequests will be for the BC Epilepsy Society's general purposes, allowing the Society to support its most urgent needs. You may also make a restricted bequest to be used for a particular purpose or program. For example, you may specify that the principal of your bequest be used to establish a named endowment fund or be added to an existing fund.

Whatever your intentions, please discuss the terms of your bequest with a representative of the BC Epilepsy Society – particularly when you wish to designate its use – to ensure your wishes can be met.

### **Making a Bequest**

At your request, a Society representative will be happy to talk with you and with your lawyer to discuss your intentions. When you have completed your Will and included or added a provision for the Society, please let us know so we may express our thanks and recognize you for your gift through *The Auckland Society*. We will, of course, respect your wishes should you prefer to remain anonymous.

### **Bequest Clauses**

Sample clauses and provisions are attached to assist you in preparing your Will. These sample clauses do not provide a substitute for professional advice and counsel. Once your Will is executed, we would appreciate receiving a copy of the clause pertaining to your bequest to the BC Epilepsy Society for future reference. All information will be held in strictest confidence.

## **The Benefits of Making a Bequest**

There are numerous benefits to making a bequest, both to you and to the charity.

### **To You**

- A means of providing a significant gift in support of an area of your interest at the BC Epilepsy Society.
- The ability to recognize a loved one by establishing an endowment fund with your bequest.
- With your consent, your name will be added to the roster of *The Auckland Society*.

### **To the BC Epilepsy Society**

- The Society receives a generous gift in support of its activities.
- An endowed gift provides sustainable and lasting support for the Association.
- Your leadership and vision in setting up a bequest assists us in encouraging others to consider a gift in support of the BC Epilepsy Society.

## **The Auckland Society**

In tribute to the founder of the BC Epilepsy Society, *The Auckland Society* recognizes those individuals who have made – or have pledged – a planned gift to the BC Epilepsy Society. Anyone who informs us of their intentions of making a bequest through their Will become a patron of *The Auckland Society*. As well as special recognition in our newsletter, members of *The Auckland Society* enjoy other benefits and recognition for their commitment to and the fight against epilepsy.

Alternatively, you may wish to make your gift anonymously. We will take great care to honour your wishes.

## **For More Information**

We hope that this document provides you with enough information to allow you to consider making a gift through your estate. If you require further information, please contact our Executive Director. They will be pleased to speak with you about all the ways of planning a gift to the BC Epilepsy Society.

**The information provided in this document is not intended as legal advice or personalized financial planning. The BC Epilepsy Society cannot provide complete financial or legal opinions. We strongly encourage you to consult your family and obtain independent professional advice.**

## SAMPLE BEQUEST CLAUSES & LANGUAGE

This document accompanies the BC Epilepsy Society information sheet entitled “Bequests: Giving Through Your Estate”.

**The following language contains suggested clauses to include in your Will if you are designating a gift to the BC Epilepsy Society. We recommend that you use the services of a qualified lawyer in drafting your Will, and we provide these suggested clauses as points of discussion between you and your lawyer.**

### I. Capital bequests

**a. Unrestricted Use:**      *SPECIFIC AMOUNT*

To THE BRITISH COLUMBIA EPILEPSY SOCIETY, I give the sum of \$ \_\_\_\_ to be used for such purposes in connection with the work of the British Columbia Epilepsy Society as the Directors of the British Columbia Epilepsy Society may from time to time determine.

*RESIDUAL INTEREST*

To THE BRITISH COLUMBIA EPILEPSY SOCIETY, I leave the whole (or a percentage) of the residue of my estate to be used for such purposes in connection with the work of the British Columbia Epilepsy Society as the Directors of the British Columbia Epilepsy Society may from time to time determine.

**b. Designated Use:**      *SPECIFIC AMOUNT*

To THE BRITISH COLUMBIA EPILEPSY SOCIETY, I give the sum of \$ \_\_\_\_ to be used (for or by) \_\_\_\_\_ (specify purpose, program or department) as directed by the Directors of the British Columbia Epilepsy Society.

*PRECATORY*

To THE BRITISH COLUMBIA EPILEPSY SOCIETY, I give the sum of \$ \_\_\_\_\_. Without imposing any restrictions upon this bequest, it is my wish that it be used \_\_\_\_\_ (specify purpose, program or department) as directed by the Directors of the British Columbia Epilepsy Society.

*RESIDUAL INTEREST*

To THE BRITISH COLUMBIA EPILEPSY SOCIETY, I leave the whole (or a percentage) of the residue of my estate to be used (for or by) \_\_\_\_\_ (specify purpose, program or department) as directed by the Directors of the British Columbia Epilepsy Society.

### II. Bequests for Endowment

Gifts or endowment are important as they serve to enhance the BC Epilepsy Society’s programs and activities in perpetuity. Your gift can be directed to an existing fund, or be used to establish a new fund.

**a. Unrestricted Use:**      *SPECIFIC AMOUNT*

To THE BRITISH COLUMBIA EPILEPSY SOCIETY, I give the sum of \$ \_\_\_\_ to be held in a fund to be known as [name of fund] and kept invested and the net income from which shall be used for such purposes in

connection with the work of the British Columbia Epilepsy Society as the Directors of the British Columbia Epilepsy Society may from time to time determine.

*RESIDUAL INTEREST*

To THE BRITISH COLUMBIA EPILEPSY SOCIETY, I leave the whole (or a percentage) of the residue of my estate to be held in a fund to be known as [name of fund] and kept invested and the net income from which shall be used for such purposes in connection with the work of the British Columbia Epilepsy Society as the Directors of the British Columbia Epilepsy Society may from time to time determine.

b. Designated Use: *SPECIFIC AMOUNT*

To THE BRITISH COLUMBIA EPILEPSY SOCIETY, I give the sum of \$ \_\_\_\_ to be held in a fund to be known as [name of fund] and kept invested and the net income from which shall be used (for or by) \_\_\_\_\_ (specify purpose, program or department) as directed by the Directors of the British Columbia Epilepsy Society.

*RESIDUAL INTEREST*

To THE BRITISH COLUMBIA EPILEPSY SOCIETY, I leave the whole (or a percentage) of the residue of my estate to be held in a fund to be known as [name of fund] and kept invested and the net income from which shall be used (for or by) \_\_\_\_\_ (specify purpose, program or department) as directed by the Directors of the British Columbia Epilepsy Society.

*PRECATORY*

To THE BRITISH COLUMBIA EPILEPSY SOCIETY, I give the sum of \$ \_\_\_\_ to be held in a fund to be known as [name of fund] and kept invested. Without imposing any restrictions upon this bequest, it is my wish that the net income from such sum be used \_\_\_\_\_ (specify purpose, program or department) as directed by the Directors of the British Columbia Epilepsy Society.

d. To an Existing Named Endowment Fund

To THE BRITISH COLUMBIA EPILEPSY SOCIETY, I give the sum of \$ \_\_\_\_ to be held in \_\_\_\_\_ [name of fund] and kept invested and the net income from which shall be used for the purposes as described in the agreement which established the fund as directed by the Directors of the British Columbia Epilepsy Society.

**III. Bequest in the event other beneficiaries predecease**

If any of the beneficiaries named in this Will should die before becoming entitled to receive their distributive share of my estate, I give or transfer to THE BRITISH COLUMBIA EPILEPSY SOCIETY the share to which such other beneficiary would otherwise have been entitled to be used for purposes in connection with the work of the British Columbia Epilepsy Society as the Directors of the British Columbia Epilepsy Society may from time to time determine.

**IV. “Power to vary purposes”**

*The following clause empowers the Board of Directors of the British Columbia Epilepsy Society to vary the purposes for which the gift is used if circumstances make it impossible or impracticable to carry out the original purposes. It is recommended that this clause be included wherever a designated use is specified.*

If in the opinion of the Directors of THE BRITISH COLUMBIA EPILEPSY (hereafter the Directors) it should become impossible, inadvisable, or impracticable to apply the said fund (principal or income) for the

said purpose or if the Directors are of the opinion that part of the said fund (principal or income) is not required for such purpose, the Directors shall use the said fund (principal or income) or such part thereof in such a manner as in its discretion may seem to the best advantage of the British Columbia Epilepsy Society for other purposes consonant with the spirit and intention of this gift.

## **V. Reversionary clause**

*The following clause designates the Society as the residual benefactor, if, for any reason, a bequest specified in your Will could not be taken, is declined, or is prohibited by law.*

In case any bequest or residuary gift contained in this Will to any charitable organization or institution, or to any person in trust for such organization or institution, cannot take effect in whole or in part because of any legal prohibition or because of the inability of any such organization or institution to take for any reason whatsoever, I direct my Trustees to pay or transfer the portion thereof affected by such prohibition or inability to take, to THE BRITISH COLUMBIA EPILEPSY SOCIETY to be used for such purposes in connection with the work of the British Columbia Epilepsy Society as the Directors of the British Columbia Epilepsy Society may determine from time to time.

# Gift of Publicly Listed Securities

## SECURITIES TRANSFERAL FORM

### TRANSFERRING YOUR SECURITIES

To make a donation of securities to the BC Epilepsy Society, you may instruct your broker to transfer your gift of securities electronically or via certificate form. In either case, please inform the BC Epilepsy Society of your intentions so that we may thank you, notify our banking representative of when to expect your gift, and ensure that your gift is used according to your wishes.

This form provides you with the information you will need to provide to your broker to arrange the transfer. A copy of this form also should be sent to the BC Epilepsy Society so we can prepare for the receipt of your shares.

We recommend that you or your broker contact the BC Epilepsy Society at least one day in advance of your planned transfer of securities to ensure all arrangements are in place.

### ELECTRONIC TRANSFER

Securities may be transferred to the BC Epilepsy Society's account. Please contact our office for the most current account transfer information.

### PHYSICAL STOCK CERTIFICATE TRANSFER

Arrangements for pick-up and delivery to the BC Epilepsy Society are available, or you can send the certificates directly to:

BC Epilepsy Society  
Attention: Executive Director  
#510 – 999 West Broadway  
Vancouver, BC V5Z 1K5

### LIST OF ASSETS TO BE TRANSFERRED:

|    | NO. OF UNITS | DESCRIPTION OF SECURITY | ACCOUNT NO. (IF KNOWN) |
|----|--------------|-------------------------|------------------------|
| 1. |              |                         |                        |
| 2. |              |                         |                        |
| 3. |              |                         |                        |
| 4. |              |                         |                        |
| 5. |              |                         |                        |

## VALUING YOUR GIFT

The value of your gift, for tax receipt purposes, is based on the closing price of the security on the day the securities are received by the BC Epilepsy Society.

## DONOR INFORMATION

|                      |  |                        |  |
|----------------------|--|------------------------|--|
| <b>Your Surname</b>  |  | <b>Your First Name</b> |  |
| <b>ADDRESS:</b>      |  |                        |  |
| <b>BUSINESS TEL.</b> |  | <b>HOME TEL.</b>       |  |
| <b>FAX:</b>          |  | <b>E-MAIL:</b>         |  |

Please fax/send this form once complete to:

BC Epilepsy Society  
Attention: Executive Director  
FAX: (604) 875-0617

#510 – 999 West Broadway  
Vancouver, BC V5Z 1K5

## Example

Assume you purchased 100 shares in 1995 for \$2000. Today, those same shares are worth \$10,000. Therefore, you have a capital gain of \$8000.

|                                |                 |
|--------------------------------|-----------------|
| Today's Market Value           | \$10,000        |
| <u>Original Purchase Price</u> | <u>\$ 2,000</u> |
| Total Capital Gain             | \$ 8,000        |

If you sold these shares today, you would include 50% of the capital gain in your annual income. Assuming you also pay a top marginal tax rate of 46%, then you would pay \$1840 in federal income tax.

|                                      |                |
|--------------------------------------|----------------|
| <u>50% of an \$8000 capital gain</u> | <u>\$4,000</u> |
| 46% tax rate on \$4000               | \$1,840        |

If you donated these same shares to the BC Epilepsy Society instead, you would only include 25% of your capital gain for tax purposes. At your same top marginal tax rate, you would pay \$920 in federal income tax – a 50% reduction!

|                                      |                |
|--------------------------------------|----------------|
| <u>25% of an \$8000 capital gain</u> | <u>\$2,000</u> |
| 46% tax rate on \$2000               | \$ 920         |

Additionally, you would also receive a charitable tax receipt for \$10,000 – the market value of your shares today – and could claim that on your tax return. This would create a \$2,900 federal tax credit against your annual income on your return.

|  |                |
|--|----------------|
| Charitable tax credit                          | \$2,900        |
| <u>Tax on your capital gain</u>                | <u>\$ 920</u>  |
| Tax credit available to<br>offset other income | <b>\$1,980</b> |

Depending on what province or territory you live in, your provincial or territorial income taxes will also be reduced in the same way.

*For the purposes of this calculation, we have assumed a top marginal tax rate of 46%. Also, it is assumed that your donation would give you a credit at the top rate of 29% - the tax credit rate for any donation over your initial \$200 in annual charitable gifts.*

## II. GIFTS OF PUBLICLY LISTED SECURITIES

### What is a publicly listed security?

A security can include stocks – a stake in ownership of a company, or bonds – debt obligations from a company. Mutual funds are also a security, as they are a group of stocks, bonds, or both. A publicly listed security is one that trades on an open exchange.

If you own stocks, bonds, or mutual funds, you may consider these as ways of giving to the BC Epilepsy Society instead of cash.

### Why should I donate securities?

Donating securities often has a great tax advantage, especially if you have a security that has significant capital gains. A capital gain is the profit one makes from the sale of a security or other property. A stock that has increased in price from the time you bought it has created a capital gain for you.

Currently, the federal government taxes capital gains at fifty percent (50%). This means that you must claim half of any capital gain in your annual income. This is called the inclusion rate. If you donate your securities to charity, the inclusion rate drops to twenty-five percent (25%). Therefore, if you donate your securities instead of selling them, you would pay only one-half the income tax due to the capital gain than you would if you didn't donate them.

### What other benefits do I receive?

You will also receive a tax receipt for the full amount of your gift, which you can claim against your annual income.

By donating securities, you can also increase your charitable contribution limit. Canada Customs & Revenue Agency stipulates that you can only claim charitable contributions equivalent to seventy-five percent (75%) of your annual income. Twenty-five percent (25%) of a capital gain from a donated security, however, can be claimed on top of the 75% annual contribution limit, if required.

### How do I donate securities?

If you wish to donate securities to the BC Epilepsy Society, please do not sell your securities and convert them to cash: to reap your tax benefits, please donate the securities directly. Enclosed, you will find a Securities Transferral Form with instructions on how to transfer your securities to our broker

You will need to fill out the information on the form indicating what securities you are transferring. You may do this yourself, or have your broker do this. You may decide to transfer the securities electronically, or in paper certificate form.

If you decide to make your gift by transferring the paper certificates, you will have to make sure that the certificates arrive at the BC Epilepsy Society via secure means. Please contact us for arrangements.

### Valuing Your Gift

On the day that we receive your securities in our account, your securities will be valued based on the closing price of the securities in that day's market. This value will be the value indicated on your charitable tax receipt. If your securities are traded on a foreign exchange, such as in the United States, an additional calculation will be required to determine the currency exchange rate on the day of the transfer.

### Non-Qualifying Securities

Currently, securities not listed on a stock exchange approved by the Canada Customs & Revenue Agency do not qualify for this tax benefit. Unlisted securities, such as shares in a private corporation, must meet certain provisions or else a charitable tax receipt cannot be issued. If you are considering donating a non-qualifying security, please contact us to determine if a tax receipt can be issued in your particular circumstance.

# THE AUCKLAND SOCIETY: *THE PROMISE OF A BETTER TOMORROW*

## Your Investment in Tomorrow

The BC Epilepsy Society benefits from the generosity of many friends who provide gifts as part of their estate and/or their financial plans.

We recognize these benefactors through membership in *The Auckland Society*. This dedicated group of families and individuals have a common bond – they believe in the future of the Society, and are committed to ensuring that the mission of the BC Epilepsy Society remains strong and viable until the day that a cure is found. You can become part of *The Auckland Society* as well, by making a planned gift to the BC Epilepsy Society.

## What is a Planned Gift?

A planned gift is a gift made with deliberation: it takes into consideration the benefit to your financial situation and estate, as well as the benefits to the charity. It could be a gift left to the BC Epilepsy Society through your Will, or you could make us a beneficiary of a life insurance policy. It could be a gift of art or real estate, a gift of stocks, bonds, or mutual funds, or a gift to a specific fund named after yourself or someone you wish to honour.

Planned gifts often have other advantages, such as a greater tax benefit to you. They often allow you to give a larger or more meaningful gift than if you contribute funds readily at hand.

## What is *The Auckland Society*?

In tribute to the founders of the BC Epilepsy Society, *The Auckland Society* recognizes those individuals who have made – or have pledged (such as in a Will) – a planned gift to the BC Epilepsy Society. 1959 was the year the Society was incorporated, and *The Auckland Society* commemorates this important event. In the same way that the founder of the BC Epilepsy Society, Dr. Norman Auckland, established a lasting legacy by creating the Society, the patrons of *The Auckland Society* establish a legacy of hope for tomorrow through their planned gifts.

As well as special recognition in our newsletter and on our website, members of *The Auckland Society* enjoy other benefits and recognition for their commitment to the BC Epilepsy Society and the fight against epilepsy. Members of *The Auckland Society* will receive a subscription to our newsletter, and will be informed of research updates and upcoming events. Special events for *Auckland Society* members will be planned to connect you with scientists and researchers, Services staff, volunteers, and the employees of the BC Epilepsy Society, as well as many donors like you.

## YES – Please add my name to the roster of *The Auckland Society*:

|         |                            |       |       |
|---------|----------------------------|-------|-------|
| Name    | Mrs.<br>Miss<br>Ms.<br>Mr. | _____ | _____ |
| Address | _____                      | _____ | _____ |
| Phone   | (       )                  | -     | _____ |
| E-mail  | _____                      | @     | _____ |

### I prefer to be contacted via:

- Phone       E-mail       Mail

### I prefer to be contacted:

- Morning       Afternoon       Evening       Weekend

### By letting the BC Epilepsy Society know of your intentions, you may be recognized for your generosity, and included in *The Auckland Society*.

- I have already included the BC Epilepsy Society in my Will.  
 I have already made arrangements for a planned gift to the BC Epilepsy Society.  
 I would like to participate in *The Auckland Society*, but would also like my gift to remain anonymous.

### I am interested in receiving more information about planned giving.

- I would like more information about including the BC Epilepsy Society in my Will.  
 I am interested in other planned giving opportunities.  
 I would like a planned giving representative of the BC Epilepsy Society to contact me.
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**CONFIDENTIAL REPLY**

**Attention:  
Executive Director**



**BC Epilepsy Society**

#510 – 999 West Broadway, Vancouver, BC V5Z 1K5  
Telephone (604) 875-6704 Fax (604) 875-0617  
1-866-374-5377 [www.bcepilepsy.com](http://www.bcepilepsy.com) • [info@bcepilepsy.ca](mailto:info@bcepilepsy.ca)  
Charitable Registration #11881 8541 RR0001