



## **Charitable Remainder Trusts & Gifts of Residual Interest**

If you have cash or an asset that you have considered leaving to Variety – The Children’s Charity of Ontario in your Will but would like the tax benefit now, then a charitable remainder trust or a gift of residual interest may be your answer.

The first: a charitable remainder trust pays you an annual income for life from your invested principal. The second: a gift of residual interest allows you to donate a pre-approved asset today (such as a personal residence or investment property) and enjoy the use of it for the rest of your life.

A charitable remainder trust is a gift that is invested to give the donor an ongoing income. The gift, in the form of cash, stocks, bonds or real estate, is ‘irrevocable’ since it cannot be taken back, once made. Your gift is held in trust, that can be administered by you or a professional financial advisor or trust company of your choice.

You continue to receive an annual income for life from the trust. A charitable remainder trust generates a tax receipt when you make the gift. The allowable tax credit is based on the present value of the cash amount or market value of the assets, your age and current interest rates.

A gift of residual interest allows you to donate an asset today (such as a personal residence or investment property), and enjoy the use of it for the rest of your life. An immediate tax receipt is issued for the fair market value of the donated asset. Both types require a signed contract.

### **Benefits to you**

- You receive an immediate tax receipt for the present value of the donated asset.
- You receive an annual income from the assets in the Trust. In the case of a gift of residual interest, you retain the use of the gift for the rest of your life.
- Irrevocable trusts are not included in the value of your estate, thus avoiding probate fees.
- Gifts of appreciated property can be structured to avoid capital gains tax.
- Your gift is confidential, and unlike a bequest, cannot be challenged in court.

We recommend you discuss your gift intentions with your own financial, legal or tax advisor.

When you are ready to proceed, we would be pleased to work with you to develop a gift that is meaningful to you and will bring a maximum benefit to Variety – The Children’s Charity of Ontario.

Variety – The Children’s Charity of Ontario depends on your generosity to sustain our programs for children with special needs in Ontario. Gifts of charitable remainder trusts and gifts of residual interest are thoughtful ways of supporting Variety – The Children’s Charity of Ontario far into the future.

**For more information in confidence, please contact Fionnuala Donaghy, Manager of Major Gifts at 416-698-4017 or by email at [fdonaghy@varietyontario.ca](mailto:fdonaghy@varietyontario.ca).**