# Leave a Gift for Your Hospital inYour Will

Mr. & Mrs. Jackson are seniors with four adult children. They are updating their wills and powers of attorney. Their Estate is valued at $500,000, including a $100,000 RRIF. Their primary goal is to leave their Estate to their children, but they also wish to consider a gift for their local hospital in their wills. Assuming annual income of $50,000 in their final year, their financial advisor provided three simplified examples:

## 1

### Equal Shares to 4 Children

**ESTATE**
Includes $100K RRIF ($150k taxable income)
$500,000

−

**CRA** Income Tax $40,000

=

**NET ESTATE** $460,000

↓

$115,000 each

=

☹ *$40,000 tax paid.*

☺ $115,000 for each child.

☹ No gift to charity.

## 2

### $50,000 Gift to Hospital Foundation

**ESTATE**
Includes $100K RRIF ($150k taxable income)
$500,000

−

**CRA** Income Tax $40,000

−

**H** Gift to Foundation ☺ $50,000

+

**CRA** Tax Credits ☺ $20,000

=

**NET ESTATE** $430,000

↓

$107,500 each

=

😐 *$20,000 tax paid.*

☺ $107,500 per child.

☺ $50,000 for new medical equipment.

## 3

### $100,000 Gift to Hospital Foundation

**ESTATE**
Includes $100K RRIF ($150k taxable income)
$500,000

−

**CRA** Income Tax $40,000

−

**H** Gift to Foundation ☺ $100,000

+

**CRA** Tax Credits ☺ $40,000

=

**NET ESTATE** $400,000

↓

$100,000 each

=

☺ *$0 tax paid!!!*

☺ $100,000 per child.

☺ $100,000 for new medical equipment.

*Information:*

**brightshoresfoundation.ca/legacy**

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Brightshores Health System
OWEN SOUND FOUNDATION

Assumes an average income tax rate of 26% and donation tax credits of 40%. Information presented is general in nature and subject to change according to individual circumstances. Always consult your professional advisors for information tailored to your circumstances and to confirm applicable tax benefits.