



# LEGACY GIVING GUIDE



**Habitat for Humanity®**

Halton-Mississauga-Dufferin



# Life Insurance

You can use life insurance to make a future gift to Habitat HMD. A new or existing policy allows anyone to make a significant contribution with a small annual or monthly payment. Plus, you'll receive an immediate tax credit for added benefit.

## Creating Your Legacy with a Life Insurance Gift

A life insurance policy can be a cost-effective way to make a meaningful contribution to Habitat HMD. By donating a new or existing policy, you can create a substantial future gift with a small annual or monthly payment, often just a few cents on the dollar. Plus, you'll receive immediate tax relief through charitable tax credits, without reducing your family's share of your assets.

## Options for Giving Life Insurance

- Assign a paid-up policy to Habitat HMD
- Assign a policy with remaining premiums, which you or Habitat HMD can pay
- Name Habitat HMD as a primary or secondary beneficiary

## Benefits

### Convenient

Easy to arrange with the help of your life insurance specialist.

### Inexpensive

Make a larger gift without depleting current assets or your estate.

### Leverage

The policy's value exceeds the premiums paid.

### Tax Savings

Receive charitable tax receipts for premiums paid.

### Estate Preservation

Life insurance benefits are outside your estate, preserving its value.

### No Probate Fees

Proceeds go directly to Habitat HMD, avoiding probate costs.

### Peace of Mind

This ensures your gift occurs as planned.

### Control

You can remain anonymous, and your gift cannot be contested.

### Recognition

Your gift can be honoured during your lifetime, if you wish.

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# RRSP, RRIF, & TFSA

## Amplify Your Impact with Retirement Fund Donations

Donating retirement funds you no longer need to Habitat HMD can make a tremendous difference. Your estate will receive a tax receipt to offset any balance you owe in taxes. This happens from the distribution of RRSPs, RRIFs, or TFSAs, which are among your most heavily taxed assets.



# Major Gifts, Endowments, and Pledges

When you make an outright gift of cash or property to Habitat HMD, 100% of your donation goes directly toward building affordable housing in Halton, Mississauga, and Dufferin.

## Major Gifts

Your gift offers the satisfaction of seeing immediate impact, transforming lives in your community. With the CRA's charitable donation tax credit, your gift is worth more to Habitat HMD than its net cost to you. Each year, you can deduct a percentage of your donation receipts from federal and provincial income taxes, potentially saving up to 53.53% of your contribution.

## Endowment Funds

Establishing an endowment creates a lasting legacy that grows over time. You can create your personal endowment fund with a one-time donation, pledge over time, or through a bequest in your will. Whether named after you, your family, or a loved one, your fund can support specific Habitat HMD builds or our most critical needs. Endowment funds are invested by Habitat HMD, and the income generated supports your chosen cause indefinitely. A named endowment fund requires a minimum of \$25,000 to establish, but you can start with \$5,000 and pay the balance over four years.



# Charitable Bequeaths

A bequest to Habitat HMD is a lasting gift that supports our local mission. It also provides practical benefits for your heirs, including a tax receipt for the full donation amount that may offset capital gains or other taxes.

## Choose the Charitable Bequest that Suits You

### General

Designates a specific sum to Habitat HMD, ensuring it is a primary charge against your estate, such as \$25,000.

### Percentage

Directs a predetermined percentage of your estate (e.g., 10%) to Habitat HMD, adjusting your gift as the value of your assets changes.

### Specific

Direct Habitat HMD to receive a specific piece of real estate, stocks from a designated company, or other specified property. This method often provides the most tax-efficient support for our local mission.

### Residual

Designate Habitat HMD to receive all or part of your estate after other beneficiaries, debts, and administrative fees are settled. This ensures your charitable intentions support Habitat HMD without affecting your primary heirs, though there's a risk funds may not remain for charitable goals.

### Contingent

This bequest is contingent upon a specific event, such as leaving a primary gift to a relative with the condition that if they predecease you, the bequest goes to Habitat for Humanity HMD instead.

### Tax Benefits

When you make a bequest to Habitat HMD, your estate receives a donation receipt for the full value of the bequest. Your Executor can claim a tax credit for up to 100% of your final tax return's net income. Unused credits can be carried back to offset previous year's income, allowing your estate and heirs to benefit from your charitable generosity while minimizing taxes.



## Your Last Will & Testament

Your last will & testament is crucial for estate planning, yet fewer than 50% of Canadians have one. Without a legal will, the government will determine how your estate will be distributed, with no provision for charitable beneficiaries like Habitat HMD. Ensure your charitable intentions by having a legal will in place.

Your will expresses your final wishes for distributing your assets after death, ensuring your intentions for family and beneficiaries are fulfilled. Without a will, government regulations dictate estate distribution. Habitat HMD advises consulting a qualified estate lawyer to prepare your will. Consider including Habitat HMD in your will to create a lasting legacy easily and flexibly, alongside loved ones who have been meaningful in your life.

Including a charitable bequest in your will has no financial impact during your lifetime. Your lawyer can add a clause to your will naming Habitat HMD as a beneficiary. If you already have a will, the simplest way to include a bequest is by adding a codicil, specifying your gift amount and beneficiary without altering your existing will provisions.



## Real Estate

### **Make a Bigger Impact with a Gift of Real Estate**

Finding land to build on is one of Habitat HMD's biggest challenges. A gift of real estate allows you to make a more significant charitable impact than you might have imagined. It also helps you avoid estate taxes and reduces or eliminates the burden on your heirs.

Gifts of real estate range from personal residences and vacation homes, to rental properties, farmland and commercially developed land. You may choose to donate real estate outright and receive an immediate tax credit, or to retain the property for use during your life time and make it a planned gift in the form of a Gift of Residual Interest.





# Gift of Securities

## **Make a Gift of Securities to Habitat HMD**

When you donate securities to Habitat HMD, you receive a charitable tax receipt for the full amount of your gift. This donation typically generates a tax credit worth about 45% of the gift's value, making it a financially wise decision and helping low-income families achieve homeownership.

## **Additional Tax Advantages**

Transferring stocks, bonds, and other investments directly to Habitat HMD offers significant tax benefits. Normally, selling a security incurs tax on 50% of the capital gain. However, by donating the security directly to Habitat HMD without converting it to cash, you avoid any taxable capital gain.

Publicly listed securities eligible for donation include shares, mutual funds, options, and futures listed on most stock exchanges in Canada and worldwide.

## **Leave a Legacy with Securities to Habitat HMD**

Consider leaving securities to Habitat HMD in your will to reduce the tax burden on your heirs. Your estate will not have to pay taxes on any capital gains from the donated securities. The more securities and assets you leave to charity, the larger the tax credit for your estate, resulting in fewer taxes owed. The Canada Revenue Agency allows you to donate up to 100% of your estate's net income to charity.

# Gift of Securities

## Benefits to You

- Receive a charitable tax receipt for the full amount of your donation.
- Pay no taxes on capital gains when transferring securities to Habitat HMD.
- Make a significant donation without impacting your day-to-day finances.
- By leaving securities to Habitat HMD in your will, reduce the tax burden on your estate and heirs

## Benefits to the Families You Help

- Your gift, whether made during your lifetime or through your will, starts making an impact immediately, helping families build strength and stability through affordable homeownership as soon as the securities are sold.
- By donating stocks, bonds, and other investments, you can potentially make a significantly larger contribution, enabling Habitat HMD to build more homes for more families.



# Leave a Legacy

For more information or to reach out to our Habitat HMD staff team, please visit <https://habitatmd.ca/leave-a-legacy/>



**Thank you!**