Jane's Story *(continued)*

It was during that campaign that Jane chose to arrange a gift of insurance for the hospital. She pays the policy's monthly premiums and in turn receives an annual charitable tax receipt from the Hospital Foundation for all premiums paid. Jane has left her future gift undesignated because she knows from long experience that the Foundation will use her future gift wisely, where the need is greatest at the time. When asked why she chose to support the hospital with such a generous gift, Jane was clear: "We are so lucky to have such an amazing team of health care professionals at our local hospital. I've seen how many residents and seasonal visitors use the facilities and the numbers are growing. Our hospital is important to our community and to each of us individually."

After a multifaceted career, Jane is now semi-retired and runs her own consulting business. She enjoys reading, gardening, keeping fit and, with Ted, overseeing 100 acres of property just outside Huntsville. Life is good and Jane is grateful.

Won't you join Jane McCutcheon and remember the Huntsville Hospital Foundation with your own legacy gift? Your commitment, regardless of the amount, will ensure that quality of health care in our community will continue long into the future. As Jane says, "A legacy gift is a gift for others but thanks to tax benefits and the satisfaction of helping our hospital, a legacy gift is also a gift for you."

On behalf of all those your future gift will help, thank you Jane for your thoughtful and generous support of the Huntsville Hospital.

Gifts of Insurance

Giving a new or gifting an existing insurance policy enables you to make a sizable gift for the hospital with what is usually a small monthly or annual outlay.

When you pay the monthly premiums on a gift of insurance, the Foundation will issue you a charitable tax receipt for the full amount of all premiums you pay. Because premium payments come out of your current income, a gift of insurance will not reduce your estate's assets.

Moreover, because a gift of life insurance goes directly to the beneficiary, it is not considered part of your estate and therefore not subject to probate fees. You may also keep your existing policy and change the beneficiary to the Huntsville Hospital Foundation.

We would issue your estate a charitable tax receipt for any amount received.

HELPING US HELP YOU

We are grateful to those volunteers and staff who help us help you remember The Huntsville Hospital Foundation with a gift in your estate plans. Thank you to the following who generously give of their time and energies by serving on our Advisory Committee.

- **Les Dakens**, Past Member, Foundation Board
- **Rebekah Dunsmore**, *Miller Law Group*, Lawyer
- **Victoria Mathies**, Volunteer
- **Sharon Mey**, Member, Foundation Board
- **Alan Paton**, *Sun Life Financial*, Certified Financial Planner
- **Carolyn Watson**, Chartered Accountant and Treasurer, Foundation Board
- **Katherine Craine**, Staff
- **Cheryl Perry**, Staff

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Huntsville Hospital Foundation

Issue 3

The Future. Here.

Healthcare *for Life*. Here. Your Guide to Legacy Giving.

Forty-two years.

That's how long Jane McCutcheon has lived in Huntsville. And that's how long she's known how important the Huntsville Hospital is to our community. It's why she is one of the hospital's most loyal supporters. It's also why she has remembered the Huntsville Hospital Foundation with a legacy gift.

"A legacy gift is a gift for others but thanks to tax benefits, and the satisfaction of helping our hospital, a legacy gift is also a gift for you."

Jane was born in Montreal, and as a child moved extensively because of her father's work. She first came to Huntsville's Camp Tawingo on Lake Vernon as a 12 year old. It was an experience she thoroughly enjoyed. Each year, she came back as a camper, then as a counsellor and, a few years after graduating from Western in 1975, she joined Camp Tawingo's staff. Eventually, she became the camp's co-owner. But as Jane astutely observed, one steadying constant at camp was that you could always count on the Huntsville Hospital.

The hospital has been there for Jane personally as well. "My husband, Ted Tiemessen, and my parents, Mary and John McCutcheon, received superb care from the incredible team of professionals at the hospital. My parents always said that, even after repeated moves, they received the best ever health care in Huntsville." High praise indeed.

Jane has given back to the hospital by serving on the Huntsville Hospital Foundation Board and by working on the $5 million capital campaign in the 1990s. In seeking financial support, Jane helped raise close to $1/2 million dollars by reaching out to more than 30 seasonal camps in the district.

Inside

Plans, Funds and Gifts for the Huntsville Hospital Foundation

RRSPs or RRIFs can be used to create a gift for the Huntsville Hospital Foundation and the financial savings for your estate could be significant. Here's why:

When a person dies, the total value of the funds in their registered retirement account must be reported as income. This income is fully taxable to their estate unless funds in the registered account can be rolled over to a surviving spouse or a dependent child. However, if a charity like the Huntsville Hospital Foundation is made beneficiary, the gift remains outside the estate, thereby reducing probate fees while creating a gift that will provide a tax receipt for the estate. This receipt can be used to offset other taxes that may be incurred. It's a win-win.

Check with your financial advisors. Gifts of RRSPs and RRIFs may be just right for you. We would be happy to help you as well. If you have already left any type of legacy gift to the Huntsville Hospital Foundation, please let us know. Dream about what you would like your legacy to be for the Huntsville Hospital and let us help you make that dream a reality.

Because of your thoughtful generosity, we can continue to provide compassionate, excellent health care far into the future. Thank you for your support.

Plan Your Will with Everyone in Mind

Family situations differ. Because of this, when you make a will it is important to take the specific circumstances of your beneficiaries into account. Leaving lump sums may be practical but it's not always wise.

One example is the challenge of providing for children from a previous marriage. How do you ensure your current spouse is cared for but see that children from an earlier marriage benefit as well? One solution is to create a spousal trust.

If you leave your property to your current spouse outright or place it in joint ownership with the right of survivorship, you could unintentionally disinherit your children. This would happen if the surviving spouse:

- does not have a valid will, in which case all the property would go to his or her next of kin;
- remarries and transfers the property to the new spouse; or
- makes a new will leaving assets to people and causes of his or her choice.

A spousal trust, however, will pay all of the income from the trust property to your current spouse. You can also determine what capital (if any) should be available to your spouse and what should be preserved for your children. On the death of your spouse, the remaining capital of the trust is then distributed. This arrangement preserves the capital of your estate and ensures that everyone is taken care of.

This is just one example of why carefully thinking through how your estate is distributed will make the distribution of your assets easier and benefit all concerned.

Should I? We Hope You Will!

Many people believe that their estate is too small to bother having a will or that whatever they have will be needed by their spouse or family. Such thinking is common, but it can prove to be problematic. Most of us have far more in accumulated resources than we realize and, without a will, survivors can face uncertainty, delays, and anxiety in settling your estate.

Experience has shown that creating a will is a wise personal investment of time and energy. Having a will ensures that your wishes are carried out and spares your survivors additional trouble at an already difficult time. In fact, a properly prepared will can actually preserve more of your estate's assets to pass in turn on to your heirs. Sound surprising? Here are some suggestions from experts in estate planning that can help you preserve your assets:

- If you have RRSPs and RRIFs, leave them directly to a spouse. This allows them to be moved, tax-free, into your survivor's own RRSP or RRIF. If either fund goes into the estate, it is deemed income in the year of death and so is taxed accordingly — often heavily.
- Should you have an annuity that is not directed to a charity, leave the entire amount to a spouse. Your surviving partner pays tax only on future annuity payments he or she receives. It is advisable not to divide an annuity between two or more people, because its cash value goes into your estate and will therefore be included as taxable income.
- Put assets into joint ownership. Assets jointly owned go directly to the other owner(s) and so are not considered part of your estate. This can simplify an estate's administration and will reduce probate fees as well.
- Review and update your Will regularly. This allows you to keep up with new family situations and any changes in tax rules that occur. It also ensure that your will continues to work to you and your family's best advantage.

Of course, there is another good way you can minimize taxes on your estate — leave a legacy gift to the Huntsville Hospital Foundation. Your professional advisors can help you determine the gift amount that is an appropriate reflection of the legacy you wish to leave and can work to your best advantage. In doing so, you may leave more money in your estate for your heirs while making a real and ongoing difference in providing excellent health care to our wider community.

If a legacy gift is right for you and you would like to discuss opportunities, please contact Katherine Craine, Executive Director, at 705 789 4756 or email her at katherine.craine@mahc.ca. She would be pleased to assist you.

A WORD ABOUT EXECUTORS

Your executor (or estate trustee) ensures your assets are distributed as you wish.

You need a methodical, trustworthy person who is willing to take on the task and who appreciates what is important to you. If your estate is simple, you might choose a family member, with an alternate named should your chosen executor be unable to serve. A more complicated estate might require several executors, each responsible for a specific part of the estate.

Because of the complexities of estates today, it might also be wise to consider a corporate trustee such as a bank, trust company, or legal firm to act on your behalf. Executors can charge for their services, if they wish, but all are expected to make business decisions in the best interests of your estate.

Finally, it's to your advantage to arrange your will and other personal papers so that your executor can easily find them, clearly ascertain your assets and debts, and notify your beneficiaries.