



Charitable Remainder Trust

A Charitable Remainder Trust is a way of giving assets to Ovarian Cancer Canada through a trust agreement. A charitable remainder trust can be established by contributing bonds, stock securities, mutual funds or real estate to a trustee who holds and manages it. You may choose a charitable remainder trust because you have an asset that you would eventually like to give to Ovarian Cancer Canada, but you need the income it now provides or you do not wish to part with your asset right now.

Charitable Remainder Trust – The Benefits to You

- Tax Advantages – A charitable tax receipt is issued upon transferring assets to a trust that names Ovarian Cancer Canada as the capital beneficiary.
- The five-year carry-forward provision allows effective tax planning while you are alive rather than the one-year carry back upon death.
- The government has allowed a beneficial tax treatment of capital gains on these gifts.
- Income – Your trust can provide you with a lifetime income.
- Worry Free Management – Your trust can be managed professionally, freeing you from daily investment decision or market concerns.
- Eliminates Probate and Estate Fees – Your gift is not subject to probate fees and other estate costs.
- Avoids Will Challenges – Trust assets are not considered part of your estate.
- Protects Privacy – By transferring assets to a trust, your decision is private.
- Control – The trust retains your assets until death, at which point Ovarian Cancer Canada will receive the “remainder” of the property in the trust.
- Recognition – Your gift can be honoured during your lifetime.

How does it work?

You receive a charitable tax receipt for the fair market value of the remainder interest, which is calculated by a Canada Revenue Agency formula that takes into account your life expectancy and the present value of the property being transferred into the trust. Valuations are required to determine a value of the remainder interest.

Costs

Before creating a trust, the total cost of setting up and administering it must be weighed against the future reduction of tax and other benefits that it will provide. The assets within the charitable remainder trust should be worth at least \$150,000 to offset fees. The fees are tax-deductible.

Important points to remember:

- The transfer of assets to the trust is irrevocable, which means you cannot reverse the transfer once it has been completed;
- The amount of the charitable tax receipt is determined by a formula set down by Canada Revenue Agency, which takes into account your life expectancy and the present value of the assets;
- Valuations are required to determine the value of the remainder interest.

Please Seek Expert Advice:

If you are thinking about transferring assets that have appreciated in value, you should seek expert advice from a tax specialist or financial planner. Ovarian Cancer Canada strongly recommends that you seek professional advice to ensure your financial goals are considered, your tax situation reviewed, and that your planned gift is tailored to your circumstances.

For further information, please call:
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