

CHARITABLE BEQUESTS

A Charitable Bequest is a gift arranged under your Will that becomes available to the charity or charities that you choose, after your lifetime. A Charitable Bequest allows you to substantially impact the future of the mental health across Canada, without diminishing your assets today. Your estate will realize important tax benefits, ultimately maximizing its value for your beneficiaries and heirs.

How does a Charitable Bequest work?

- To prepare a Will, you usually start by summarizing your assets and liabilities.
- You can choose to leave CMHA a specific sum of money, or a percentage of the value of your estate.
- Although you plan for it today, CMHA realizes your gift only after your death.
- Charitable Bequests can take many forms, and often consist of cash, real property and/ or appreciated securities (e.g. stocks, bonds and mutual funds).

How does a Charitable Bequest benefit you?

- Your estate will receive a donation receipt for the full value of your bequest and the resulting tax credits will offset taxes owing on your final tax return, helping to maximize the remaining value of your estate for your beneficiaries.
- You may make a bequest anonymously, and continue to retain the right to change it at any time.
- You maintain access to and control of your assets during your lifetime.

What else should you consider?

- Notify us of your intention to include CMHA in your Will. This is one way to help ensure that your bequest is carried out in the way you intend. This also allows us to get to know you, to thank you for your support, and to provide you with our proper legal name, charitable registration number and proper wording for your Will. We can also offer you meaningful recognition and stewardship options – ways for us to share our gratitude with you today.
- The annual gift contribution limit for charitable donations increases from 75% to 100% in the year of death. Any excess tax credits generated by your bequest can be carried back one year and applied to recover a portion of that year's tax, also to a maximum of 100% of income for that year. Overall, the income tax your estate pays is significantly reduced, maximizing the value of the estate available to your other beneficiaries.
- Obtain advice from a lawyer in preparing your Will, communicating your bequest intentions and maximizing your estate's tax benefits.



BEQUEST OPTIONS

- A specific bequest: A gift of a stated amount, or specific property.
- A residual bequest: All or part of the remaining value of an individual's estate after all debts, taxes, administrative expenses and specific legacies have been paid.
- A contingent bequest: Takes effect when you designate CMHA as an alternate beneficiary. If the first beneficiary you have named is not able to receive the gift, it is then directed to the alternate beneficiary.

Making a Charitable Bequest to the Canadian Mental Health Association is simple. Just contact us at 1-416-646-5557 or development@cmha.ca for more information.

This material provides general information and is not intended to constitute or replace specific professional advice. Donors considering a legacy gift should speak to an advisor with appropriate tax and other expertise to implement a strategy that achieves their objectives.