



Legacy Giving

Trails mission is to challenge and equip vulnerable youth to become contributing members of the community. This is not a short-term response to a one-time crisis; rather, it is a long-term preventative programme that creates lasting change in the lives of our participants and their communities. By leaving a legacy gift to Trails, you can continue to support our work, build stronger communities and inspire hope in your lifetime and beyond. The values you uphold will continue to shape the lives of those who come after you and your gift to Trails will help create a lasting difference in our community. This type of giving can also provide important tax benefits for you. Below are a few examples of legacy gifts.

Bequests

A charitable bequest offers an opportunity to reduce estate taxes while making a gift to Trails that will express your values and provide continued support for our programme that offers hope to vulnerable youth and inspires change.

Since a person is deemed to have disposed of everything at the moment of death, there are considerable tax implications for most estates. Taxable income at death includes 50% of any capital gains on appreciated assets or investments (except for your principal residence), and the entire value of an RRSP portfolio (unless a surviving spouse, financially-dependent child or grandchild can take it over).

When a donation is made from an estate, Trails Youth Initiatives, Inc. issues a receipt for the amount of the gift. The Executor can use the receipt to obtain tax credits to offset 100% of income (including RRSP assets and capital gains) from the current tax year and the previous tax year.

If you've already named Trails as a beneficiary in your will, please let us know. We'd like to thank you for your extraordinary generosity.

Aside from tax considerations, bequests have a number of other advantages as well:

- They are easy to set up by codicil, a signed and witnessed legal document that amends your existing will, so a new will needn't be drafted.
- They are revocable, so if you change your mind, bequests are relatively easy to amend or cancel entirely.
- Bequests also afford a great deal of flexibility in terms of how the gift is made. Options include a specific sum of money or other asset, the remainder of an estate, or a contingent gift, which allows for a gift only in the event that certain conditions are met, i.e. if other heirs should die first.

Please [click here](#) to see sample bequest language. (see page 3)

Gifts Involving Life Insurance or RRSPs/RRIFs

1. Gift of an insurance policy today.

Another way to donate to Trails is to set up a new “permanent” (whole or universal) life insurance policy, or to transfer the ownership of your existing permanent policy to Trails and then name Trails Youth Initiatives, Inc. as beneficiary. You may choose to continue paying the premiums or have Trails make the premium payments. This may be especially beneficial to many people who have life insurance policies they no longer need for their originally intended purpose, such as family protection, a business that no longer exists, education, etc.

For tax purposes, there is an immediate tax credit for the amount of the cash surrender value of the donated policy plus any accumulated interest and dividends that are also assigned (less any outstanding policy loan). Furthermore, if you continue to pay the annual premiums on the policy, or contribute the funds to Trails so that we may pay the premiums, the premium payments will be treated as additional charitable gifts. This enables you to claim an annual donation tax credit for the premiums paid.

Ultimately, a relatively small contribution can turn into a very sizable gift to Trails on your death. Note that there would be no further donation tax credit at that time on the payout of the life insurance proceeds.

2. Gift of insurance proceeds through your will.

As an alternative to the above strategy, you may name your estate as beneficiary of your life insurance policy and then include a gift to Trails in your will equal to the amount of the life insurance proceeds. This method allows you to retain control of your policy so that the beneficiary may be changed by simply amending your will. However, no tax credit is available for the premiums paid, as with the gift of policy noted above.

When your insurance proceeds are paid to your estate, and the directed bequest is paid to Trails Youth Initiatives, Inc. in accordance with your will, a donation receipt would be issued for the amount of the full gift, which would create a large tax credit. This can be applied to reduce taxes payable in the year of death and in the immediately preceding year.

3. Naming Trails Youth Initiatives, Inc. as beneficiary of your life insurance policy or RRSP/RRIF.

Naming Trails as the beneficiary of your life insurance policy or RRSP/RRIF plan is another effective way to donate. The proceeds of your life insurance policy or RRSP/RRIF that are designated and paid directly to Trails are considered to be a charitable gift made by you in your final year. This allows you to retain control of the policy and RRSP/RRIF plan in your lifetime and then receive a tax receipt for the full amount of the gift at your death, creating a large tax credit to reduce taxes payable in the year of death and in the immediately preceding year.

This option further allows the proceeds to pass to Trails completely outside of your estate, which will eliminate probate fees on the proceeds.

Sample Bequest Language

The following document is a guideline for the convenience of our donors. It should not be construed as legal advice from Trails Youth Initiatives, Inc.

FORMS OF BEQUEST

1. Specific Bequest

a) Sum of Money

Bequest should read, "I give to Trails Youth Initiatives, Inc., located in Stouffville, Ontario, the sum of (amount) ... "

b) Particular properties such as real estate, stocks, bonds, jewellery, works of art or other items. Unless the property is of use to Trails Youth Initiatives, Inc., it will be sold, and the proceeds, less any appraisals and selling costs, applied to the terms of the bequest. Bequest should read, "I give to Trails Youth Initiatives, Inc., located in Stouffville, Ontario, (description of property)..."

2. Rest and Residue of Estate

Trails Youth Initiatives, Inc. is given all or a percentage of what remains of the estate after paying debts, taxes, expenses, and other bequests. Bequest should read, "I give to Trails Youth Initiatives, Inc., located in Stouffville, Ontario, all (or stated percentage) of the rest, residue, and remainder of my estate ... "

3. Contingent Bequest

This gift takes place only if the testator is not survived by certain individuals. Bequest should read, "If (name/s of primary beneficiary/ies) do/es not survive me, or shall die within ninety (90) days of my death, or as a result of a common disaster, then I give to Trails Youth Initiatives, Inc., located in Stouffville, Ontario, (describe amount of cash, property or percentage of residual estate)..."

4. Charitable Remainder Trust

A designated portion of the estate property is used to fund the trust, which then pays the net income to the beneficiary(ies) identified in the donor's will. When the trust terminates (at the death of the beneficiary(ies) or at the end of a term of years), the trust principal is distributed to the Charity.

Bequest should read, "I direct that my executor raise out of the capital of my estate the sum of \$_____ to be held and invested by my trustee and to pay to (name of spouse or other individual/s) all of the net income which accrues therefrom during (his, her, their) natural lifetime(s). Upon the death of _____, such trust shall be distributed to Trails Youth Initiatives, Inc., located in Stouffville, Ontario. I appoint (name of person or institution) as trustee of this trust.