

Gift of a Charitable Remainder Trust



A *Charitable Remainder Trust (CRT)* is a trust agreement. CRTs provide flexibility when planning your estate, and enable you to support causes which are important to you while still providing for family and loved ones.

A CRT can be established by contributing cash, bonds, securities, mutual funds or real estate. Assets are placed with a trustee – an individual or entity capable of managing the trust expertly. You receive the income generated by the assets in trust, according to the terms set out at the time the trust is established. The capital remains intact, however, after your death the Montreal Children's Hospital Foundation receives the amount you placed in trust. You may also establish a trust that provides income to your surviving spouse. In this instance, the property would pass to the Montreal Children's Hospital Foundation only after the death of both spouses.

Benefits to you:

Tax advantages - CRTs provide immediate tax relief. Revenue Canada allows beneficial tax treatment of capital gains on these gifts.

Income - Your trust will provide you with a lifetime income.

Worry-free management - Professional management of your trust frees you from daily investment decisions or market concerns.

Eliminates probate and estate fees - Your trust is not subject to probate fees and other estate costs.

Avoids estate challenges - Trust assets are not considered part of your estate.

Control - Through your trustee, you manage the trust until death, at which point the Montreal Children's Hospital Foundation will receive the remainder of the trust assets.

How it works:

Because CRTs are irrevocable gifts, the donor is entitled to a donation receipt when the trust is created.

Please seek expert advice:

The Montreal Children's Hospital Foundation strongly recommends that you seek professional financial, insurance and/or legal advice to ensure that your financial goals are considered, your tax situation is reviewed, and your legacy gift is tailored to your circumstances.

Dr. MacKenzie Forbes Society

The Montreal Children's Hospital Foundation is pleased to recognize individuals who include the Foundation in their estate plans. The Dr. MacKenzie Forbes Society is a group of thoughtful and visionary donors who have demonstrated generosity and concern for children of today and tomorrow.

The receipt amount is based on the present value of the remainder interest, determined by the fair market value of the assets, interest rates, the donor's age, and the specifics or duration of the trust.

An example:

Bob and his spouse Katia are retired. The couple would like to make a legacy gift to the Foundation commemorating the family's name. They own investment real estate with a fair market value of \$2 million and an adjusted cost base of \$500,000. If Bob and Katia sell their property, they will have to pay taxes of approximately \$337,500 on a \$1.5 million gain, assuming an income tax rate of 45%. If the couple decides to set up a CRT and designate it to the Foundation upon their death, they will receive the following advantages:

- Bob and Katia get a non-refundable tax credit which reduces their tax owing for up to 5 years.
- The trustee invests the funds providing the couple with a future income stream over their remaining lifetimes.
- Upon the surviving spouse's death, the Foundation receives the remainder of the trust and the couple's legacy lives on through the recognition offered by the Foundation.

When you become a member, you enjoy the benefits of the Society and receive:

- ✓ An invitation to visit the hospital for a behind the scenes tour
- ✓ An invitation to our Annual Recognition Event
- ✓ Your name(s) on the Annual Donors List on the Foundation website
- ✓ Your name will be displayed on the Dr. MacKenzie Forbes Society Wall in perpetuity, for gifts received of \$100,000 and more

For further information, please contact **Samar El Soufi**, Planning and Development Officer

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The Montreal Children's Hospital Foundation

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la fondation
de l'hôpital
de montréal
pour enfants
the montreal
children's
hospital
foundation

