

A Guide to Creating Your Legacy at the University of Waterloo

Planned giving can allow people who have limited financial resources in their lifetime to achieve larger gifts than they thought possible, to make a positive difference at the University of Waterloo and in the world. It's an opportunity for you to create a meaningful, enduring legacy.



A charitable remainder trust

A charitable remainder trust involves transferring property (such as cash, bonds, stock securities, mutual funds or real estate) into a trust whereby you retain a life interest in the property but make an irrevocable gift of the residual interest to a registered charity such as the University of Waterloo.





What are the advantages of this type of gift?

- › You receive an income for life on the investment of the donated asset.
- › This type of gift is not subject to probate and estate fees.
- › You can avoid challenges of your will as trust assets are not considered part of your estate.
- › It can lower your income tax payable. A charitable tax receipt is issued upon transferring asset(s) to a trust that names the University as the capital and residual beneficiary for the present value of the asset(s).
- › The five-year carry-forward of charitable tax credits provision allows effective tax planning while you are alive. The government offers favorable tax treatment on charitable remainder trusts – particularly when they involve appreciated publicly traded securities – allowing for significant capital gains benefits.

How does this type of gift work?

Create a trust with a credible financial institution, lawyer or trusted individual that names yourself or others as the beneficiary of the lifetime income, and names the University of Waterloo as the remainder beneficiary. Once the trust is set up you will receive a tax receipt for the fair market value of the remainder interest, calculated by the CRA using a formula that considers your life expectancy, the present value of the property being transferred into the trust and the prevailing interest rate.

It is important to note that this transfer of assets to the trust is irrevocable, which means you cannot reverse the transfer once it has been completed.

The information within these pages does not constitute legal or financial advice. We strongly encourage you to seek professional legal and/or financial advice for your particular situation.

For more information on how you can establish your legacy gift to support Waterloo's future, contact our Planned Giving team at **519-888-4567 ext. 41879** or plannedgiving@uwaterloo.ca

