

Be a Voice for Peace

Bequests to Canadian Friends Service Committee



Long after you've passed on, you can still be a voice for peace.

You can be there, doing the right thing decades from now. You can be present, creating a more just world for your children and grandchildren. A bequest is a gift that you leave to Canadian Friends Service Committee (CFSC) in your will. Bequests put your values into action.

None of us knows exactly when we'll leave this life, or exactly what the value of our estates will be at that time. That's why many people prefer not to leave a fixed amount, but rather a residual bequest. This allows you to retain your assets during your lifetime, take care of financial commitments, support family, and donate whatever is left over to vital peace work.

“Sometimes you can make a big difference in little ways. I’m not a Quaker, but I’ve always been impressed by Quakers. That’s why I’m including CFSC in my will.”

-David Rothkop-



Why would making a bequest matter to me?

Bequests are empowering. They help you to be sure that you are leaving a better world for those you love.

In addition to a bequest, you may wish to consider writing a letter or an ethical will to explain how your legal will is an expression of who you are. This letter or ethical will is not a replacement for your legal will, but a compliment to it, meant to share life lessons and explain your values. How does leaving a gift to CFSC in your will reflect what you stand for and care about most? Research suggests that leaving an ethical will reduces end of life suffering and brings a deeper sense of clarity and purpose.¹

What does CFSC do with bequests?

We invest bequests—using our careful Ethical Investment Policy—and spend the principal over

five years (if under \$50,000) or over 10 years (if over \$50,000). This means that leaving a bequest is a way to greatly extend your commitment to peace and justice.

Why do bequests matter to CFSC?

Did you know that in any given year bequests make up anywhere from 3% to 49% of the donations CFSC receives? It’s hard to overstate just how meaningful these major gifts are.

With a modest annual budget CFSC accomplishes a great deal to improve recognition of the human rights of Indigenous peoples, support local peacebuilders at the grassroots in Canada and other countries, and uphold transformative approaches to criminal justice with a focus on children’s rights. Bequests are a huge part of all of this. Without bequests, it would be impossible to support so many people as they work for a better world. When you leave a bequest, these achievements are a part of your legacy.

¹Charles Gessert et al., "Ethical Wills and Suffering in Patients with Cancer: A Pilot Study", *Journal of Palliative Medicine* 7 (4), September 29, 2004.

What are the types of bequests?

A residual bequest is a gift of what is left over after all fixed financial obligations have been dealt with. A residual bequest lets you leave all or a percentage of the remainder of your estate to CFSC. For example, you might leave a certain amount to children and grandchildren, include other specific items, and then, after those and all fees and taxes have been paid, direct whatever remains to CFSC.

A residual bequest subject to life interest is very similar, but makes CFSC the ultimate beneficiary after other beneficiaries have had use of the income from the estate during their lifetimes.

A percentage gift leaves a particular percentage of your estate to CFSC.

A specific bequest leaves specified stocks, RRSPs, real estate, other assets, or a fixed amount of funds.

What is some sample language for my will?

Your will could include language like the following:

Residual gift: “I direct my trustees to transfer the residue of my estate to Canadian Friends Service Committee for its general purposes.”

Percentage gift: “I direct my trustees to transfer _ % (or share) of the residue of my estate to Canadian Friends Service Committee to be used for its general purposes.”

Specific gift: “I direct my trustees to deliver, pay or transfer the sum of \$_ to Canadian Friends Service Committee for its general purposes.” or “I direct my trustees to deliver, pay or transfer [identify the personal property, e.g., 150 shares of X stock] to Canadian Friends Service Committee for its general purposes.”

Designated gift: If you wish to direct your bequest to a specific area of CFSC’s work—such as Indigenous peoples’ human rights, criminal justice, or peace—the wording might be: “I direct my trustees to transfer the sum of \$_ to Canadian Friends Service Committee to be used for the following purpose(s): [specific purpose]. In the event that circumstances make the specific use of this gift no longer practical or desirable, the Board of Directors of Canadian Friends Service Committee is hereby authorized to make changes in its use consonant with the spirit and general intent of the gift.”

If you wish to designate your bequest to a specific purpose, we ask you to please contact us prior to completing your will to ensure your gift intentions can be met.



How does leaving a gift to CFSC reflect what you stand for and care about most?

An invalid will can create significant headaches, and this is sadly all too common. We encourage you to consult a lawyer in the preparation of your will, to ensure that the wording used is appropriate to your intentions. Also please make sure to use our full legal name, our correct address, and our charitable registration number as they appear on the last page of this document.

Are there tax benefits?

Absolutely. One major benefit comes from leaving securities like stocks as part of your bequest. Stocks donated to CFSC are exempt from taxes on any increase in value over the time they've been held (capital gains tax). Not only does your estate not have to pay tax on donated stocks, but it also gets a tax credit for the full market value. This can provide a substantial tax savings. Imagine Barbara bought a share for \$1, and eventually it was worth \$100:

- » If Barbara sold the share, she would have a capital gain of \$99, of which half (\$49.50) would be taxable. Each province is different, but at Ontario's 2019 rates, she would pay \$26.50 in taxes.
- » If Barbara left the share to CFSC in her bequest, there would be no tax to pay on it, and her estate would receive a tax receipt for the full \$100.

In Ontario, the 2019 tax rate on estates was 0.5% on the first \$50,000 and 1.5% on the remainder of the estate.

All bequests are eligible for tax receipts, and the tax credits can be used to eliminate the tax payable in the last year of life. If the donation is sufficient, the excess credits can also be carried back to claim a refund for taxes paid in the two previous years. This is only general information. An estate planner can advise about your particular tax situation.

What if I don't have a will?

Making a will lets you decide what happens to your assets, who the executor or trustee will be (an individual or a corporation, it is good to name a corporate trustee in the last position in case individuals you name can't carry out the will for any reason), and how and when each beneficiary will receive their inheritance. If you do not make a will, your assets are simply divided based on the laws of your home province or state, meaning you lose the chance to make more careful and specific decisions.

In addition to a will, there are other tools that may give you increased peace of mind, such as a Power of Attorney—a legal document naming one or more people who will make financial decisions for you should the need arise.



CFSC's values are rooted in the Quaker testimonies of simplicity, peace, integrity, community, equality, and respect for all creation.

How much should I leave to my children or grandchildren?

This is a common question. Each of our family situations is different, so there is no one “right amount” to leave. An important consideration is what life stage your children or grandchildren are in, and how you envision them benefiting from, or be harmed by, increased wealth.

How do I get started with estate planning?

- 1) Prepare an asset summary so you have an idea of what you own.
- 2) Define your wishes for distribution, which generally means what percentage you would like to leave to family and what percentage to charity or other beneficiaries.
- 3) Talk to an estate planner or tax expert about your plans and then prepare your will with a lawyer.



If there is any way we can help, please be in touch.

Contact Matt Legge at 416-920-5213 or Matt@QuakerService.ca



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