

# Leaving a Ministry Legacy



Canadian Baptists  
OF WESTERN CANADA



Cultivating Leadership | Investing in Relationship | Engaging in Mission

# Your Planned Gift can have a massive ripple effect on ministries that you know and love.

Whether by a simple gift in your will, a gift of securities, life insurance or other gifting vehicle, you can have a lasting impact for the Kingdom of God.

Legacy—or planned giving—are terms that mean the same thing; leaving a future gift to a charity through an end-of-life or estate plan.

Planned giving arrangements can:

- provide for you and your loved ones
- significantly reduce your taxes both now and when your estate passes to your beneficiaries
- produce guaranteed, regular income payments for you for the rest of your life that are largely tax-free
- provide peace of mind knowing a significant gift is in place for future generations through life insurance
- enable you to give a substantial gift to ministries that are meaningful to you



## You Need a Will

Your money will be taxed and distributed after your death. With a will in place, you make those decisions yourself, and with a planned gift in your will, much of the money that would go to taxes can instead be effectively directed to the ministries that you care about.

## How to Leave a Legacy

The Canadian Baptist Legacy team in partnership with Advisors with Purpose (AWP) is here to help provide the best possible strategies for achieving your planned giving goals, and their services are FREE for anyone in the CBWC family! This is the “how-to” part of planned giving. If you do not have a will, AWP can help you write one. With the assistance of one of their advisors, all of whom have completed the Canadian Association of Gift Planners Training, they can help you create a Charitable Gift Plan that best reflects your faith story. ***We recommend that you have all gift plans reviewed by your lawyer, accountant, or tax professional.***

## Where to Leave a Legacy

Where you leave your Legacy gift is completely up to you. You might consider:

- Your local Canadian Baptist church
- A hometown ministry in your neighbourhood
- Your Canadian Baptist family of churches and ministry we do together:
  - Pastoral Care and Church Health
  - Youth work, Camps
  - Theological Education: Carey Theological College
  - Global Mission, Relief and Development: CBM
- Any other ministries you have known and appreciated
- Any Registered Charity in Canada

***Advisors with Purpose are non-directive in the placement of gifts. Those decisions rest completely with you, the donor.***



## **Types of Gift Planning Vehicles**

### **Charitable Estate Gifts (Bequests)**

A charitable gift in your will is the simplest type of estate gift. You have the flexibility to alter the gift during your lifetime, allowing your life's values to endure after your death. Your estate receives a tax receipt for the full amount of the gift, which may offset capital gains or other taxes due.

### **Charitable Gift Annuities**

If you require income for your senior years and have a substantial asset, you may want to ask a financial planner about a Charitable Gift Annuity. These offer guaranteed (fixed) income for as long as you need it, with the remainder gifted to the ministry of your choice. An immediate tax receipt is issued that lowers your taxable income while receiving the payments, often increasing the amount of income received annually by shelter from taxes.

### **Charitable Remainder Trust**

This gift sets up a trust to give to your children and grandchildren from your estate for a set period of time, and then gifts the remainder to the ministry of your choice. The benefits are that the aid for your beneficiaries is largely tax-exempt, and the gains in the trust are not taxed in the final inheritance.



## **Charitable Lead Trust**

This gift sets up the trust first to the charity while the donor is living, and then passes the remainder on to the beneficiaries when the donor passes away. One benefits immediately with a tax credit that can be used to reduce taxes in the current year. The gift also minimizes the estate taxes at the time of the donor's passing, which can increase the amount received by the recipients.

## **Life Insurance Gifts**

There are several types of gifts that can be made through life insurance. The simplest is the case where there is enough capital in the estate to provide for all of your needs from now to your passing. If you deem that the capital in your estate is sufficient for your heirs, you can gift your life insurance policy to a charity and receive tax benefits now. In this case, insurance proceeds will not be probated or pass at all into the estate.

The Canadian Baptist Legacy team includes the CBWC Foundation as an important partner. The structure and competencies at the CBWC Foundation allow us to facilitate enhanced giving options for you, the donor, such as:

## Securities

Securities that have gained a substantial amount of capital appreciation represent a gift-giving opportunity. If you gift the securities, the capital gains are not taxed, and the charitable receipt lowers your income tax. The CBWC Foundation facilitates non-registered Gifts of Securities to the CBWC, associated ministries and registered Canadian charities. If you donate securities, the CBWC Foundation will issue a tax receipt for the fair market value of the securities on the date you make your gift and the capital gains tax rate is 0% when transferred through a Foundation.

## Donor Advised Funds

Some donors would like to spread their giving out over a longer time horizon instead of leaving the entire gift in a lump sum at the time of passing. The CBWC Foundation can invest the gift and fund the charities of your choice over a specified number of years. A CBWC Foundation representative will be happy to discuss details around term length, secondary beneficiaries and other details unique to your personal estate.

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# Frequently Asked Questions

## **Can I change my mind?**

Yes. Charitable gifts and many other tools allow complete control over your capital until the time of your passing. The recipients and the amount of gift can be changed at any time. Some tools that lock in current tax savings are less flexible.

## **Does this mean less money left to my children?**

No, not necessarily. Charitable gifts reduce the amount of taxes payable by your estate. While gifts are not 100 percent efficient in tax reduction, the amount you leave to your children will not be significantly affected. Some strategies, such as a charitable lead trust retain all of your capital for your heirs, reduce your taxes now and may reduce taxes in the estate as well.

## **Do I have to have a will to ensure my wishes are carried out?**

A charitable gift will not take effect unless you state your intention in your will. Without a will you lose control over your property after death. Your property and finances will be settled according to provincial law, whether or not they coincide with your wishes.

## **What do I need to do?**

Ask your lawyer to include a gift in your will. You may also leave money from a pension account or life insurance policy naming your chosen charity as a beneficiary. Your plan administrator or insurance broker can do that for you.

## **What if I need help deciding what type of gift is best for me?**

Advisors with Purpose can help. They are here to help you determine an individualized Gift Plan that can then be used in collaboration with your lawyer or tax planner. To get in touch with Advisors with Purpose, you can call them at 1-866-336-3315 or email [plan@advisorswithpurpose.ca](mailto:plan@advisorswithpurpose.ca).



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