



Visionaries

FALL 2008 NEWSLETTER

Giving thanks

Welcome to Seva Canada's first *Visionaries* newsletter! This special publication is a forum where we give thanks to our wonderful donors and offer you advice from experts on various aspects of planned giving.

One special donor has had a huge impact on Seva Canada's sight programs. His name is Mike Frastacky and, sadly, we never had a chance to thank him.

Mike was murdered at age 54 in Afghanistan while putting the finishing touches on a school he was building there. We had no idea that he had left a bequest to Seva Canada in his will until we got the estate lawyer's letter.

We created *Visionaries* as a recognition circle for donors who have decided to leave a gift to Seva Canada in their wills. If you have left a legacy to Seva Canada please let us know and you will automatically become a Visionary.

Benefits of membership last a lifetime and include:

- Invitations to special events, presentations and seminars
- Opportunities to meet like-minded donors and visiting program staff from overseas
- Receipt of our biannual newsletter & recognition in our Annual Report
- Opportunities to be profiled in our newsletter, website and other publications
- A personal thank you from the Board of Directors

We recognize that some donors do not wish to be publicly recognized for their gifts and we assure those who ask for confidentiality that their wishes will be respected. It is still possible to enjoy the benefits of Seva's Visionaries without the loss of privacy.

Our intention is not to ask, but to thank. We want to be able to acknowledge your generosity, to get to know you better and to learn what is important to you.

Please contact me at 604-713-6622 or fundraising@seva.ca with any questions you may have or to arrange a meeting.

Heather Wardle



Heather Wardle
Development Director

Left: Friends and family of Mike Frastacky gather at the False Creek Yacht Club on June 7th to meet Seva's program staff and to hear about 8 major projects that Mike's legacy is funding in Tibet, Nepal and Tanzania. Right: Mike's sister, Luba Frastacky with Dr. Paul Courtright and Ms. Margaret Kessy of the Kilimanjaro Centre for Community Ophthalmology in Tanzania, hired through Mike's legacy as Africa's first Gender and Blindness Coordinator.



Ask an Expert: Charles L. Anderson, lawyer

Q: *What are some of the ways that I can leave a gift to my favourite charity?*

A: Gifts to charities are usually made as gifts (sometimes referred to as legacies) of cash, stocks or bonds or other financial accounts and even real property.

Depending on the individual's situation, some people prefer to leave a designated portion of the residue of their estate to a charity or charities, particularly if they have no children or their children are financially self-sufficient. Some charitable gifts can have a significant beneficial tax saving for the estate. These include:

(a) Gift of all or a portion of registered retirement savings plan accounts: RRSP accounts that are not gifted to a spouse are fully taxable on death at the maximum rate of tax, presently 43%. However, if RRSPs are gifted to a charity, they are also free of tax. For example, a \$200,000 RRSP, if not gifted to a spouse or charity will be subject to tax of \$86,000 at the current highest marginal rate of 43%. It makes sense to consider gifting all or a portion of your RRSP, depending on your own circumstances, to your favorite charity or charities.

(b) A charitable remainder trust is a charitable gifting technique benefiting both a beneficiary of your estate and a charity. It involves a discretionary trust of income and capital for the benefit of an individual or individuals for their lifetime. This would provide them with an income and access to capital, at the discretion of a Trustee, where outright ownership of the capital of the trust is not desirable for various reasons. On the death of the beneficiary or beneficiaries, the capital remaining in the trust is gifted to the charity, hence the name "charitable remainder trust".

(c) Gifts in kind include publicly traded securities and real estate. The Income Tax Act provides an attractive benefit to those wishing to gift this kind of property to a charity. The present tax rules allow the executor to transfer the property at the deceased's adjusted cost base resulting in no tax payable by the estate on the gain in value of the property.

The estate can avoid any tax liability by transferring the asset by way of gift to a charity under these income tax rules. Generally, charitable donations are applied against the deceased's income in the year of their death, that is, including all deemed capital gains and income.

Individuals wanting to leave gifts to charity should consult with both their professional accounting and tax advisors and their lawyer. The examples given in this article are for illustration only and are subject to changing tax rules and circumstances.

If you would like more detailed information you can contact Charles L. Anderson by phone at 604-443-5671 or by email at charlesanderson@granvillelaw.com.



*"Since I can't live forever, my money can.
I can live forever through the eyes of those
who will be able to see because of my legacy."*

Susan Erdmann
Board Member & planned giving donor

SEVA CANADA SOCIETY

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