



UNIVERSITY OF VICTORIA

PLANNED GIVING OPTIONS & INFORMATION

This document outlines different options for making a charitable gift to the University of Victoria.

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Bequests

A gift to the university in your will.

Overview

A bequest to the University of Victoria is a gift we receive through a special clause in your will. For many people, a charitable bequest in their will is the most realistic option for making a financial contribution while maintaining financial security. The University of Victoria can be named the beneficiary of a gift of cash, of publicly traded securities, personal property or real estate. There are considerable tax savings for your estate.

Gifts can be an absolute dollar amount, a specific asset or a percentage or residue of your estate.

The clause may specify whether your gift:

- will provide immediate funding through an expendable fund or be held permanently in an endowment. The funds in the endowment are invested and a portion of the interest income is used each year. The minimum amount suggested for establishing an endowed fund is \$25,000.
- will be unrestricted (used by UVic for its greatest need), or restricted (used for a specific purpose, e.g. a student award such as a scholarship or bursary or the funding of a special project).

Benefits to you

- you're supporting future students, research and innovation at the university in a way that may not have been able to during your lifetime
- your estate is entitled to a donation receipt for the full value of the bequest that will reduce, or even eliminate, income taxes payable by your estate

Essential information

The process of leaving a gift in your will is straightforward. With the help of your professional adviser, you can add a bequest to UVic in a new will. If you have already prepared your will, you can update it by simply adding a codicil—a supplementary paragraph that includes your bequest.

Each bequest is unique and, therefore, no single clause will meet everyone's needs. Once you have decided what you would like your gift to do, the UVic Legacy Giving office can draft will wording that you can review with your lawyer or notary.

Suggested will clauses can be found on page 12.

It is important that you seek financial and legal advice when considering a bequest. Your lawyer or notary will ensure the clause language accurately meets your needs, and your financial adviser will be able to recommend the most tax effective way to make this gift.

US citizens

If you wish to receive a donation tax receipt for your US tax return, then your estate gift should be directed to:

US Foundation for the University of Victoria
PO Box 1700 STN CSC
Victoria, BC V8W 2Y2
CANADA

The US Foundation for the University of Victoria is a 501(c)(3) corporate charitable body registered with the Internal Revenue Service in the United States. The US Foundation for the University of Victoria was officially incorporated as of June 16, 1997, in Washington, D.C. (EIN #31-1576136). The Foundation is organized and operated exclusively for charitable and educational purposes.

Life insurance

Overview

A small investment in life insurance premiums is a great way to support the University of Victoria at a more substantial level than you may have thought possible. You can designate UVic as an owner and/or beneficiary, in whole or in part, of an insurance policy. This can be applied to an existing policy, or to one that is newly purchased.

Life insurance products that can be donated

1. **Whole Life Insurance** (equity), which provides death benefit coverage and also builds up guaranteed cash value. Premiums are level and the policy remains in force as long as the premiums are paid.
2. **Term to 100** (non-equity), a low-cost universal/whole life policy without a guaranteed cash value, where premiums remain level and continue for life or until the donor reaches age 100. Insurance is defaulted if premium payments cease.
3. **Universal Life Insurance** (equity), which is a Term-to-100 policy plus a tax-deferred investment account. The investment account must achieve positive annual returns to ensure premium payments.

More information about life insurance

Permanent life insurance is divided into two categories: equity and non-equity.

- equity policies direct a portion of your premium payments into an investment/savings account and the other portion pays for the death benefits
- non-equity policies do not have an investment plan, and you are only paying for the death benefits

Ways to give life insurance

Make UVic the beneficiary of a policy

If you name UVic as beneficiary of life insurance, then your estate will receive a charitable receipt for the value of the policy, which will offset income taxes owing on your estate. In most cases, insurance proceeds pass to the university outside your estate, thus reducing probate and estate administration fees, and your estate receives the tax benefit of the charitable receipt. This means your estate will be left intact for your heirs.

Transfer ownership to UVic

Donating a new policy: You can set up a new policy and donate it to UVic, making the university the owner and beneficiary.

Donating an existing policy: If you own a policy and no longer need the coverage (for example, you took out a policy to ensure your minor children would be cared for if you passed away, and they are now grown and no longer need it), you can transfer ownership to the university, thus making it the eventual beneficiary.

Tax receipts for gifts of life insurance

Issued for fair market value of policy: If you transfer the ownership of a new or existing policy to UVic, you will receive a tax receipt for the fair market value (FMV) of the policy when you make the transfer.

Fair market value must be calculated by a qualified actuary. The valuation costs (approximately \$2,500) will be paid by the donor. According to the Canada Revenue Agency (CRA) the valuation must take into account the following factors: 1) cash surrender value; 2) the policy's loan value; 3) face value; 4) the state of health of the insured and his/her life expectancy; 5) conversion privileges; 6) other policy terms such as term riders or double indemnity provisions; and 7) replacement value. Appraising an insurance policy would cost a donor about \$2,500.

Issued for premiums paid: If there are premiums payable on the policy after you have transferred ownership to the university, you will continue to pay the premiums directly to the insurance company. The University of Victoria will give you a donation tax receipt for the full amount of premiums paid after the date of transfer.

RRSPs & RRIFs

An easy way to realize tax savings, eliminate probate fees and make a substantial gift to UVic.

Overview

Unless you can transfer them to a spouse, the funds remaining in your RRSP or RRIF at death are included in your taxable income in the final year of life. This means that your estate will have to pay the income tax on the full amount of your RRSP or RRIF, and a much smaller amount will be transferred to your intended beneficiaries. When you direct your registered retirement plan to a charity such as the university, there is no income tax payable, and 100% of the funds are transferred.

Benefits to you

- proceeds do not flow through your estate and are not subject to probate fees or income tax payable
- the amount of the charitable tax receipt can be applied against all other income tax payable
- you don't need to involve a lawyer, and it doesn't cost anything to change the beneficiary name on your plan
- your estate is left intact for your heirs

Essential information

Designating the University of Victoria as the beneficiary of your RRSP or RRIF is easy. Simply contact your plan administrator or financial institution and request an RRSP/RRIF *Multiple Beneficiary Designation form* then name the university as the beneficiary (or one of your beneficiaries) and return the form to your plan administrator.

Charitable remainder trust

A future gift that gives you income now.

Overview

If you have assets that you would consider gifting to the University of Victoria in your will, but would like to receive the income for life and the tax benefits today, a charitable trust arrangement may be the answer.

The charitable remainder trust is a form of residual interest gift. You (the “settlor”) transfer property to a trustee who holds and manages it. If the property is income-producing, the net income can be paid to you and/or others you have named. When the trust terminates (either upon your death, upon the death of the other named beneficiary(ies) or after a specific number of years), the trust remainder is distributed to the University of Victoria.

Benefits to you

- as the trust is irrevocable, you receive an immediate tax receipt for the present net value of the remainder interest
- you receive an annual income from the assets in the trust
 - depending on the structure of the trust, income payments may be made annually, bi-annually or monthly
- irrevocable trust assets are not included in the value of your estate, and therefore not subject to probate fees or estate income taxes
- a trust provides privacy and professional management by appointed trustees and is less susceptible to challenge than a gift by bequest
- the trust agreement can be kept private, unlike a will, which may become a public document upon the donor’s death

Gifts of securities

The most tax-efficient way to make a charitable gift.

Overview

If you are considering a donation to the University of Victoria and you own publicly listed securities (stocks, bonds, mutual fund units or shares), you may want to consider transferring these directly to the university, rather than cashing them in to donate. If you cash in these securities, you have to include 50% of the capital gain (how much they've increased in value) in your income for the year. This can result in a large tax bill. If you donate the securities directly to the university, you do not include any of the capital gain in your income.

Benefits to you

- the entire amount of your donation results in a tax credit that may be used to offset other taxable income
- stockbrokers do not charge fees for transferring ownership of securities

Essential information

How to make the gift: Have your broker transfer your shares electronically to our broker [See template letter of direction on next page]. Please cc letter to:

Lauren Stamhuis, development officer, Legacy Giving: legacydev@uvic.ca

Carly Webb, associate adviser, RBC: carly.webb@rbc.com

If you hold share certificates, please contact the Planned Giving office for information about transferring them.

Valuation of your gift: The amount of your charitable tax receipt reflects the closing price of the shares on the day they are received by our broker. If the price of the shares fluctuates widely during the day they are received, the receipt will reflect the average price of the security that day.

What we do with the shares: We sell the shares as soon as possible; that may be on the day we receive them or on the next business day.

Mutual funds: Donations of mutual funds take longer to transact than gifts of stock due to the additional steps needed to transfer ownership.

Template letter of direction from the donor to your broker

Date: [Today's date]

Dear: [Broker's name]

Re: **Transfer of Securities to the University of Victoria**

Please accept this letter as your instruction to transfer _____ shares of _____, from my account to the University of Victoria.

Transfer to:

University of Victoria c/o RBC Dominion
Securities 730 View St, Suite 500 St.
Andrew's Square II Victoria, BC V8W 3Y7
Attn: Jarad Andrews

Account Number: 851 26302 14
CUID: DOMA
DTC: 5002
Euroclear: 90065
Dealer: 9190 / REP code: V8M

RBC Dominion contact:

Jarad Andrews

Phone: 250- 356-4845

Fax: 250-356-4880

Email: jarad.andrews@rbc.com

Please contact Jarad with the following information, before initiating the transaction, so that he can arrange to receive the shares and complete the transaction:

1. Your Broker ID with CDS (CUID number)
2. Number of Shares
3. Name of security
4. Cusip number
5. Settlement date

Please designate this gift to the:

_____ (i.e. what student
award or project you would like to support)

Sincerely,

Donor's Signature: _____

Donor's Name: _____

University of Victoria's Charitable Registration Number is: BN 108162470 RR0001

Information for professional advisers

Planned giving is a group activity at the University of Victoria. We work closely with lawyers, notaries, trust officers, financial planners, accountants, brokers and other advisers to help their clients establish meaningful, tax-wise donations, and we always encourage donors to consult with professional advisers before finalizing a legacy gift.

Key information

Our legal name: University of Victoria

All payments to UVic as a beneficiary should be made out to: University of Victoria

Charitable Business Number: BN 108162470 RR0001

US citizens

If your client wishes to receive a donation tax receipt for your US tax return, then your estate gift should be directed to:

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PO Box 1700 STN CSC
Victoria, BC V8W 2Y2
CANADA

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Information for executors and estate administrators: The Legacy Giving office administers all estate gifts on behalf of the university. Even if the deceased made their bequest to a specific faculty, department or unit, the Legacy Giving office will manage the administration and ensure the deceased's legacy intentions are fulfilled. Please send all documentation and payment(s) to:

Kristy Colpron, Manager, Legacy Giving and Estate Administration
University of Victoria
PO Box 1700 STN CSC
Victoria BC V8W 2Y2
kristyc@uvic.ca / 250-721-8967

Information for brokers/investment advisers

Please use the template letter of direction on page 9.

In order for us to alert our broker and our accounting department to look out for these gifts, we ask you to email us the following information:

- name of shares
- number of shares
- donor's name and contact information
- your contact information
- designation of the gift (what area of the university to support)

Will wording & clauses

Will clauses for expendable funds

Unrestricted bequests

“To pay or transfer (____%, **or** _____ share(s) of ____ shares of the rest and residue, **OR** the sum of \$_____) to the University of Victoria, charitable business number 10816 2470 RR0001, Victoria, British Columbia, for the university’s area(s) of greatest need.”

Restricted bequests

“To pay or transfer (____%, **or** _____ share(s) of ____ shares of the rest and residue, **OR** the sum of \$_____) to the University of Victoria, charitable business number 10816 2470 RR0001, Victoria, British Columbia, for the benefit of _____ (specific department, program or project). In the event that unforeseen circumstances make the specified use of this bequest no longer practical or desirable, the University of Victoria is hereby authorized to make such changes as are in keeping as far as possible with the spirit and general intent of this bequest.”

Will clauses for endowed funds

Unrestricted endowed fund

“To pay or transfer (____%, **or** _____ share(s) of ____ shares of the rest and residue, **OR** the sum of \$_____) to the University of Victoria, charitable business number 10816 2470 RR0001, Victoria, British Columbia. The income is to be used for the university’s area(s) of greatest need.”

Restricted endowed fund

“To pay or transfer (____%, **or** _____ share(s) of ____ l shares of the rest and residue, **OR** the sum of \$_____) to the University of Victoria, charitable business number 10816 2470 RR0001, Victoria, British Columbia, to establish an endowed fund to be known as the ____ (name of fund) _____. The income is to be used for ____ (purpose) ____ in the ____ (name of department/ unit) ____ of ____ (name of department or faculty) _____. In the event that unforeseen circumstances make the specified use of this bequest no longer practical or desirable, the University of Victoria is hereby authorized to make such changes as are in keeping as far as possible with the spirit and general intent of this bequest.”

Contact details for Legacy Giving Office

Our goal is to ensure your legacy is managed and administered according to your wishes. We can work closely with you and your advisers to capture the true spirit and intent of your donations. The University of Victoria does not provide legal, accounting, tax or financial advice to donors with respect to gifts. Please consult with your financial adviser to ensure your gift is structured in accordance with your personal circumstance and that the related tax implications have been thoroughly considered.

For more information contact:

Legacy Giving Office
University of Victoria
PO Box 1700 STN CSC
Victoria BC V8W 2Y2
Phone: 250-721-6001
Email: legacydev@uvic.ca
www.uvic.ca/givingtouvic/