

Estate Planning Glossary of Terms

Accountant - a professional who specializes in the practice of accounting. One who manages and reports financial results for a company or an individual.

Assets - anything owned by a person that has value (i.e. can be sold for money). Assets can range from property, stocks, bonds, savings accounts, antiques, art and valuables.

Attorney - a professional who specializes in the practice of law. This person might be responsible for giving clients legal advice, and is qualified to prosecute and defend actions in a courtroom.

Beneficiary - a person or organization that receives a bequest (gift) under a Will, death benefits from a life insurance policy, transfer of remaining savings from a registered retirement plan or pension after the death of the owner, or payments from a trust.

Bequest / Charitable Bequest - a gift through a Will to a chosen person or organization.

Charitable Giving - the act of voluntarily giving money or something you own to a charitable organization.

Charity / Charitable Organization - an organization, trust, or corporation that was set up in Canada, is located in Canada and is registered under the Income Tax Act as a charitable organization, public foundation, or private foundation. A registered charity works for the benefit of other individuals, groups or communities and must devote itself to helping those other than itself.

Charitable Receipt - also called official donation receipt or tax receipt – a receipt given by a registered charity according to tax laws. This receipt can be used to reduce income tax.

Charitable Tax Benefits – The right given by the Canada Revenue Agency (CRA) to a person or organization that has made a donation to a registered Canadian charity, to reduce their income tax. The amount of the tax saving is calculated as a percentage of the allowable amount of donation you make.

Estate - everything that a person owns or has a financial interest in. All of the real (fixed – land, buildings) and personal (movable – art, stocks, savings, vehicles, furniture) property which belongs to a person.

Estate Plan – the process of making clear your goals and dreams. This includes deciding how it would be best to grow your savings, investments and possessions, choosing who to gift after death and the best way to achieve the gifting of your worldly belongings after death. The main goals of estate planning are usually making sure the estate owner's goals and wishes are achieved, reducing

costs such as taxes, reducing time spent transferring the gifts to the chosen beneficiaries and making sure your dependents, family and loved ones are taken care of after your death.

Estate Planner - a professional who specializes in helping people through the process of creating an estate plan. The Estate Planner works with you to clearly understand your goals, provide advice on how to best to reach your goals, reduce your estate taxes, and determine that you have enough money after death to care for your family and pay major expenses such as your mortgage.

Financial Planner - a professional who specializes in helping people deal with personal finances through planning in the following areas: income and expense management, education planning, retirement planning, savings and investment planning, risk management and insurance planning, tax planning, estate planning and business planning.

Gift - a voluntary transfer of property. For any gift made after December 2002, the amount of the gift that is allowed by tax law is used to calculate the donor's donation tax credit or deduction.

Gift Planner (also see **Planned Giving Officer**) - someone who works with donors and their professional advisors and/or their favourite charity to achieve the most benefit for both the donor and the charity from a planned/legacy charitable gift.

Insurance Broker - a person licensed to sell insurance. This professional might provide advice related to any type of insurance, including its cost, what risks are included and what isn't included, and procedures for making claims to recover losses.

Irrevocable Trust - a trust that cannot be cancelled or changed by the person creating it.

Leave a Legacy – make a lasting contribution to society. To allot, assign, donate, endow, entrust, give, hand down, or leave by Will.

Legacy Gift - a way of giving to charity by arranging donations which help the charitable organization and also achieves the personal, financial, and tax goals of the individual donor. The donation of a lifetime given either during one's life or through their estate plans.

Gift Legislation - in Canada the Income Tax Act provides guidelines on the proper way to give so that individuals may claim donations on their final income tax return.

Not-for-Profit Organization - an association, club, or society existing only for the benefit of social welfare, community improvement, pleasure, recreation, or any other purpose except profit. A not-for-profit is not a registered charity and can not issue an official tax receipt even though not-for-profit organizations do not need to pay tax on their income.

Philanthropy - the act of donating money, possessions, time or effort to support a charitable cause. The action or donations are usually over a long period of time and focused on a specific goal.

Philanthropy may involve activity that promotes a concern for human welfare and improvement.

Philanthropy Consultant - a professional specializing in planning strategic and useful ways to achieve charitable goals.

Planned Giving / Gift Planning / Legacy Giving - a way of giving to charity by arranging donations which help the charitable organization and also achieve the personal, financial, and tax goals of the individual donor.

Planned Giving Officer (also see **Gift Planner**) - someone who works with donors and their professional advisors and/or their favourite charity to achieve the most benefit for both the donor and the charity from a planned charitable gift.

Professional Advisor - provides advice to a donor or a charitable organization. These advisors commonly work in the fields of accounting, law, insurance, financial planning, etc.

Registered Charity - an organization, trust, or corporation that was set up in Canada, is located in Canada and is registered under the Income Tax Act as a charitable organization, public foundation, or private foundation. A registered charity works for the benefit of other individuals, groups or communities and must devote itself to helping those other than itself.

Stock Broker - is a licensed professional or *company* who buys and sells shares, stocks, or investments.

Tax Implications- see charitable tax benefits

Trust – a legal arrangement in which a person transfers legal title (or ownership) of property, savings, or investments to a trustee. The trustee is then responsible for holding and managing the transferred property or money for the benefit of a person, persons or an organization that the original owner has chosen, for the time period the original owner has chosen. A trust can be set up during someone’s lifetime or in a Will. If set up in a Will, the benefit to the people or organizations will only take effect after death of the original owner.

Will / Testament – the last legally binding record from an individual that provides instructions for gifting, donating and/or getting rid of all their worldly belongings after they die.

For more information please call SHARE’s administration office at 604.540.9161 or contact our Director of Fund Development Valerie Hutton - valerie.hutton@sharesociety.ca.

This material provides general information and is not intended to constitute or replace specific professional advice. Donors considering a legacy gift should speak to an advisor with appropriate tax and other expertise to implement a strategy that achieves their objectives.