

Kelowna's
Gospel Mission

Planned Giving

Planned giving is simply looking into the future and saying “I would like to do something of significance for an organization or an individual. I would like to give some gifts to my children, to my grandchildren, to my church or to a charity.”

Giving larger-sized gifts, usually after a lot of thought, to a charity or other helping organization, is collectively known as Planned Giving. Planned gifts can be thought of as deferred gifts, or gifts given in the future. These gifts often stem from a desire to make a significant impact to a cause that you have faithfully supported.

Planned Giving can have a positive impact on your taxes, both now and in the future, resulting in the government receiving less and those you care about receiving more. There are many effective strategies to help you minimize personal or corporate taxes, while giving vital support to a cause you believe in.

Charitable Remainder Trust

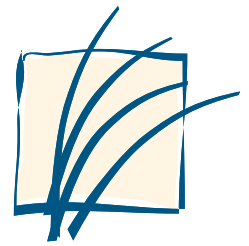
You may have an asset - a sum of cash, securities or real estate - that you'd like to become your gift to Kelowna's Gospel Mission but for now you need the income it provides. One possibility, of course, is to leave it as a bequest in your will. But there is another way: with a charitable remainder trust, you can make your gift now and continue to receive the income for your lifetime, the joint lives of yourself and your spouse, or for a specified number of years. Unlike a future bequest, which yields no immediate tax benefit, the charitable remainder trust provides you with a donation receipt in the year of your gift. Also, placing the property in trust frees you from the management responsibility and removes the property from your estate, guaranteeing your privacy. The charitable remainder trust is a versatile giving technique that you can tailor to your own situation. You designate the trustee who will administer it - any qualified institution or individual. Since these are important decisions, and because the trust, once established, is irrevocable, you should seek the guidance of your personal financial and legal advisors.

Gift Annuity

A gift annuity is an arrangement by which you make a contribution to a charity and receive, in turn, guaranteed payments for life, or for a pre-determined number of years. The amount of these payments depends on your age and the size of your contribution, but they will likely be significantly higher than you are receiving from your present investments. These annuities are guaranteed to continue as long as you live, no matter what happens to the economy or interest rates. If you are married, you may want to choose a joint-and-survivorship annuity that continues as long as either spouse lives. Your gift annuity gives you a special bonus at tax time because sizeable portions of your payments are tax-free. Older annuitants will receive payments that are totally tax-free and will also receive a donation receipt that will result in a tax credit.

Leading People into Wholeness

Phone: 250-763-3737 • Fax: 250-763-4018 • www.kelownagospelmission.ca



Kelowna's
Gospel Mission

Planned Giving (cont.)

Life Insurance

There are several ways you can use life insurance to make your gift to Kelowna's Gospel Mission. You can contribute a policy you already own but no longer need, or purchase a new one as your gift. If you have other assets you'd like to contribute to Kelowna's Gospel Mission, you can use life insurance to replace the value of those assets, for your heirs. A life insurance policy is a gift for today with an impact for the future. The premiums paid on the life insurance policy are tax deductible and the end result is a greater gift than the original premiums paid.

Outright Gifts

When you make an outright gift of cash or property to Kelowna's Gospel Mission, every dollar goes to work the moment it is given and provides vital support for hurting men, women and children, or generates ongoing endowment income. An outright gift gives you the satisfaction of seeing your gift at work, knowing that lives are being touched right now because you cared.

Gifts of Cash

Revenue Canada's charitable donation tax credit means that your gift is worth more to Kelowna's Gospel Mission than its actual net cost to you. Each year a percentage of the value of your accumulated donation receipts - 17 percent for the first \$200 and 29 percent thereafter - can be subtracted from the federal income tax you owe and reduces your provincial taxes as well. Depending on your provincial rate, the combined tax savings could be as much as 50 percent of your contribution.

Gifts of Appreciated Property

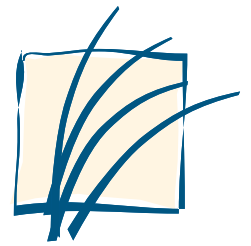
In addition to cash, these can include appreciated property such as stocks, mutual funds and real estate. Special tax breaks are currently available for these gifts. Non-cash assets, such as securities and real estate, are also suitable as outright gifts. In fact, as of May 2nd 2006, donating publicly traded securities to registered charities became even more appealing. The new federal budget includes a huge incentive to donors by completely eliminating all capital gains tax on gifts of publicly traded stocks.

Residual Interest

You can have the satisfaction of making a major gift to Kelowna's Gospel Mission now and receiving an immediate tax benefit, yet having the ability to continue to use and enjoy the gifted property for the rest of your life. This is known as giving a gift of residual interest with retained life use, and usually involves your

Leading People into Wholeness

Phone: 250-763-3737 • Fax: 250-763-4018 • www.kelownagospelmission.ca



Kelowna's
Gospel Mission

Planned Giving (cont.)

principal residence or other personal use real estate. In making such a gift, you transfer the property irrevocably to KGM but retain its lifetime use. If you wish, the arrangement can include use of property for your spouse's life. When the transfer is made, you will receive a donation receipt for the present value of the residual interest - the value in today's dollars, of the property KGM will receive at your passing away. This is calculated based on the property's appraised value, your age, and an appropriate discount rate. The joy of living in your residence or enjoying property such as a vacation home can be increased, knowing that when you no longer have need of it, it will become your gift of support for your favorite charity. You are able to gift your property now and benefit by receiving tax considerations. You then continue to live in your own home, all the while knowing in the future, your home will have a significant impact on a cause you believe in. In case of a residual gift of fine art, it stays on your walls for your enjoyment, and you receive a tax receipt.

Gifts by Will

Someday, others will receive everything you own. That's a rather sobering thought. Fortunately, you still have the privilege of choosing the recipient(s) if you have a valid will. Otherwise, if you pass away without a will, the Government distributes your estate according to their guidelines. For the sake of your family, make sure you have a Will, otherwise your spouse and children may experience some level of hardship. For those charities you support during your lifetime, you will no doubt want to make a bequest. It is a growing practice among community-conscious people to make a provision in their wills for their favorite charitable organizations such as the Kelowna's Gospel Mission. It's easier than you think. If you wish to name the Kelowna's Gospel Mission in your Will, you can give a straightforward bequest of money or property. Alternatively, you can make a residual gift leaving all or part of what remains after specific provisions have been met for family and friends.

Corporate Giving

There are several ways for your company to become involved in Kelowna's Gospel Mission.

Monetary Gifts

Your company can make a one-time, monthly, or annual gift to Kelowna's Gospel Mission. Another option would be to sponsor an event or campaign. The benefits of either of these options would be to reduce your company's annual tax liability and to increase the public awareness of your company's good works.

Matching Gifts

Your company can double its impact on its ability to make a difference at Kelowna's Gospel Mission. If your company offers a matching program to its employees, both the employees and the company can benefit from the tax-deductible receipts. You'll also increase the motivation for your employees to give if you are able to automatically deduct a set amount from their paycheck.

Leading People into Wholeness

Phone: 250-763-3737 • Fax: 250-763-4018 • www.kelownagospelmission.ca