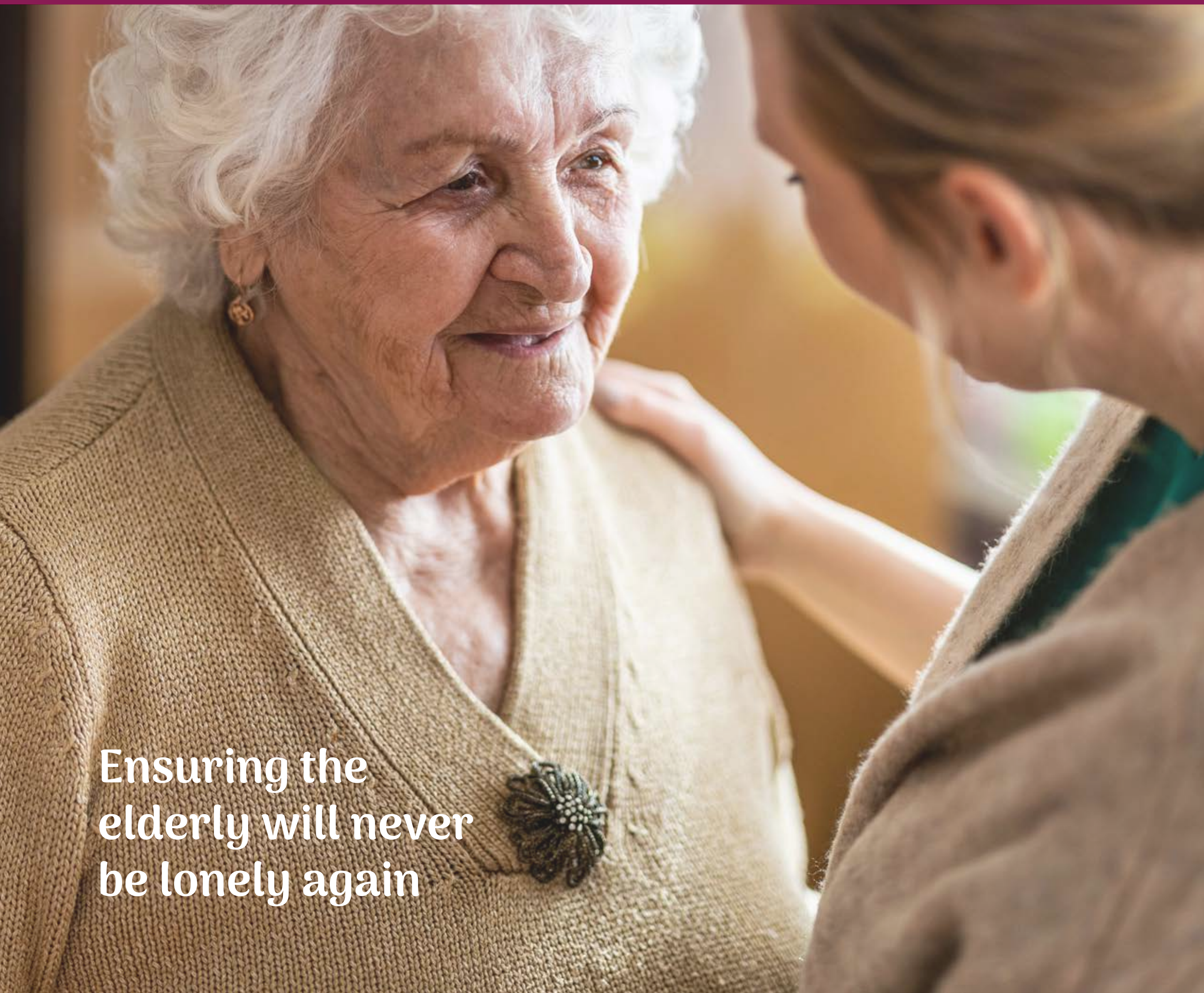
Little Brothers Foundation

Embracing the Elderly

Donor Guide

Making a Planned Gift



1,1 million
elderly people
over 75

What is a planned gift?

There are many ways to make a planned gift, and the tax benefits vary depending on the type you choose. This short guide aims to outline various options to help you decide which one best suits you. However, we firmly encourage you to seek professional advice from a qualified accountant, lawyer, or financial advisor, before you make your decision.

Why make a planned gift to Little Brothers Foundation?

There are currently 1.1 million seniors over the age of 75 in Québec. Among them, 10% are at risk of suffering from social isolation and these numbers are expected to double over the next decade.

Little Brothers is one of the most well-renowned organizations helping to counter the isolation of seniors today. However, our financial needs – the resources necessary to accomplish our mission - have never been greater. Investing in our cause by making a planned gift is a powerful way to help our organization and ensure that your values transcend your own lifetime.

Making a planned gifts is a unique and emotion-filled gesture that also requires reflection and forethought. It's an act of generosity that allows us to build together now, and will resonate and have a positive impact long after you are gone.

"When my spouse was hospitalized, he was there for quite a long time, and I visited him every day. Once or twice a week, the person who shared his room received visits from a very kind lady who made sure he had everything he needed.

Upon enquiry, I discovered, to my surprise, that she was not a sister or a friend, but a volunteer with Little Brothers. I also discovered that these two people had been paired and that this was a form of lifelong companionship provided to elderly people without a family.

I was touched by this organization's mission and am now pleased to offer my support through my estate planning. This allows me to make a larger contribution during my own lifetime, while benefitting from a tax credit."

Louise, Little Brothers **Legacy Circle donor**

Little Brothers
Foundation

Making a bequest

This type of gift gives you the option to leave all or part of your estate to the Little Brothers Foundation. For most Quebecers, it is the most generous gift of their lives and the one that will have the biggest impact on their chosen cause.

Bequests allow you to donate, at your discretion, a specific amount of money, real estate, a portion of your assets, or all of these if you have no descendants.

ADVANTAGES

- Does not affect your assets during your lifetime
- Revocable (you can change your will at any time)
- Prolongs your commitment to countering the isolation of seniors
- Allows you to leave a legacy (if you wish, your gift will be recognized by the organization)
- Benefits your heirs through a tax credit based on the value of the tax receipt.

We suggest that you draw up your will with a notary to formalize your wishes and facilitate execution by the liquidator you appoint for this purpose.

"Our father was very sensitive man, acutely aware of the human condition. During his lifetime, he maintained close ties with many charitable organizations that he supported through donations and volunteer work. That is why he decided to make a bequest to Little Brothers in his will, to support elderly people suffering from loneliness. We were infinitely saddened when he passed away in April 2009, but his commitment to Little Brothers lives on and gives us comfort."

Claude and Hélène Jean, in memory of Paul-E. Jean (1937-2009)

THE POWER TO MAKE IMMEDIATE, TAX-EFFICIENT DONATIONS EVERY YEAR

Donating a life insurance policy

Naming the Little Brothers Foundation as the beneficiary of a life insurance policy is a great way to make a significant gift. This type of gift is flexible and allows you to add Little Brothers Foundation to your list of beneficiaries or assign ownership of your life insurance to them in full.

ADVANTAGES

- Maximizes the value of your donation and, depending on the option you choose, you or your estate will receive a tax receipt
- Ensures you leave a legacy and have a positive impact on the lives of the elderly for years to come

Acquiring and transferring life insurance

Another option consists of taking out a life insurance policy, assigning it to the Little Brothers Foundation and making the premium payments, which entitles you to an annual charitable receipt for the value of the premiums. This is a considerable tax advantage during your lifetime.

To make a gift of life insurance, speak with your insurance provider and contact us for personalized assistance.

Donating shares

The gift of shares is a tax-efficient option as shares transferred to a charitable organization are in fact tax-exempt. This type of gift allows you to receive a tax receipt for the full market value of your securities at the time of transfer.

It is financially advantageous to make a gift by transferring your shares directly to the Little Brothers Foundation rather than selling them and then transferring the gains to the organization.

ADVANTAGES

- Maximizes the value of your donation since the capital gain on your shares will be taxed less
- Provides you with a tax receipt and a tax deduction

To make a gift of shares, talk to your financial advisor and contact us, we will send you the required form.

Gifting a RRIF during your lifetime

There is no deduction for the minimum amount, but for any amount over the minimum amount tax rates are as follows:

Withdrawal Amount Exceeding Minimum Amount	Federal tax in Quebec only	Provincial tax in Quebec only	COMBINED TOTAL
Up to and including $5,000	5%	15%	20%
$5,001 to $15,000	10%	15%	25%
Over $15,000	15%	15%	30%

Rates may change each year. RRIF withdrawals are considered taxable income and must be declared on your income tax return. This means you may have to pay tax at that time.

To simplify credit rate calculations for donations:

- The combined federal and provincial tax rate at the end of the year is rounded up to 50%.
- There is no deduction for the minimum amount, but for any amount over the minimum amount, the tax rate used in the examples is 25%.
- The charitable tax credit does not take into account the first $200 donation, and this rate for donations (combined federal and provincial tax credit rate) is also rounded up to 50%.

Gifts of publicly traded securities by a management company

The Foundation does not provide any financial or legal advice. The charts are provided as examples only and the amounts and rates indicated may be subject to change. We invite you to consult your tax advisor or financial consultant to ensure that the option you choose takes into consideration your particular circumstances as well as the legal or tax provisions applicable to your situation.

- If you have a management company, donating publicly traded securities directly to an organization is the most tax-efficient way to make a charitable donation.
- Making a planned donation to the Little Brothers Foundation instead of issuing a cheque allows you to maximize your gift, without increasing the cost to you.

Let's take the case of a management company that owns publicly traded securities. When these securities are donated to the Foundation directly, the capital gain on the donated shares is tax-free. In addition, 100% of the capital gain is added to the Capital Dividend Account (CDA). This amount will be payable to the shareholders as a tax-free dividend if the tax preferences have been filed in the prescribed form prior to payment.

This can result in significant tax benefits for you and your management company.

ADVANTAGES

- Tax receipt for your gift corresponding to the fair market value of the donated securities
- No capital gains tax on donated securities
- Increase in the capital dividend account (CDA) allowing tax-free dividends to be paid to shareholders for an amount equivalent to capital gain
- The chance to see your gift's impact right away

As with any other donations of publicly traded securities, we invite you to contact your broker first to optimize tax benefits and then download the transfer form available on our website.

Other ways to plan your gift

There are other ways to provide an outright gift or bequest to the Little Brothers Foundation. Each has its advantages depending on your personal situation.

You may:

- Gift an RRSP
- Gift movable
- Create an endowment or dedicated fund (trust, private fund in a community investment foundation, etc.)

For more information, do not hesitate to contact us. We will be more than happy to guide you in your choices and help with procedures. You can also ask an accountant, tax specialist or financial advisor to suggest a suitable solution.

A huge thank-you for your generosity

A planned gift is one of the most noble and meaningful ways to support Little Brothers. By choosing to help isolated seniors in this way, you are passing on a legacy that will inspire those around you. You demonstrate that it's possible to continue change things significantly and even in perpetuity.

Your generosity will allow the people we affectionately call our «Great Friends» to be well taken care of and receive all the love and support they deserve.

On their behalf, we would like to warmly thank you for your gesture in support of the community.

Contact us today to learn more about the benefits of including a charitable donation in your will.

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