



Are you looking for a way to ensure both your loved ones and your charity are well provided for? Have you considered a Charitable Remainder Trust (CRT)? CRTs are a practical and flexible option for donors looking to provide a charitable gift while securing income for surviving loved ones.

Your beneficiaries (loved ones) will receive income from the Trust during their lifetime, or for a predetermined period of time; the Trust will then be terminated and all or a portion of the remaining funds in the Trust will be received by the charity.

Parties & Elements of a Trust:

- The person who creates it by transferring assets to the Trust is the **Testator**
 - The **Testator** creates a trust from assets (property, investments, etc). The Trust is held outside the estate, therefore not subject to probate or executor fees
- The person or institution that manages it is the **Trustee**
 - The **Trustee** oversees the trust, the distribution of the income and the transfer of the capital to the **Charity**
- The person or persons (loved ones) who receive the income (interest or earnings) from the Trust is/are the **Beneficiaries**
 - The **Testator** designates the **Beneficiaries** of the income generated by the Trust - for the lifetime of the **Beneficiaries** or for a pre-determined period of time
- The organization that receives the remaining capital amount once the Trust is terminated is the **Charity**
 - The **Testator** designates the **Charity** to receive the "charitable remainder" upon the death of the surviving **Beneficiaries**, or following the designated time period
- The tax credit - the **Testator** or the estate can benefit from the tax receipt
 - The timing of the charitable tax receipt depends on whether or not the **Beneficiaries** are allowed to draw from the capital
 - A charitable tax receipt can be provided when the Trust is created; if an irrevocable gift agreement (**CRT**) is reached with the charity confirming that the **Beneficiaries** cannot encroach on the capital - the amount of the charitable tax receipt is determined by an actuary
 - Otherwise, the tax receipt will be issued once the **Charity** receives the money, upon termination/liquidation of the Trust

Please note that this information is for reference purposes only. Your personal financial and tax situation is unique and tax rates and charitable gift policies can differ by province.

Please consult with your legal or financial advisor to ensure that you receive a full and accurate explanation of the benefits to you of your charitable gift.