



Cover photo: Rupert T. Jefferies

Telling your Story

Preparing the documents you need
to ensure your wishes are followed

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Forward

We are pleased to provide this publication for you to use as a resource as you plan for the eventual disbursement of your estate. In many ways it can be thought of as a stewardship manual. As Christians we believe that all we have are gifts from a generous and loving God. We strive throughout our lives to gain a closer relationship with God through the prayerful and generous use of our lives to the glory of God. In a tangible way we give back to God our gifts of time, talent and money to the church and secular charities.

The mark of a Christian steward is a life of joyful giving. Some acts of generosity can be spontaneous. Others require careful planning. By planning now for our eventual death we are providing a priceless gift to our family and friends. An up-to-date will, clearly outlined funeral wishes and a detailed estate plan will save them considerable frustration, confusion and expense, all at a time when they can least afford them—the time of a family funeral.

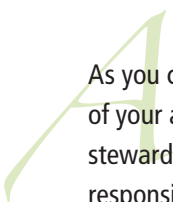
As you read the following material give prayerful thought as to how you can use this information to ensure your plans speak to your faith in God and His Son Jesus Christ. Such a witness can provide considerable comfort to your family and friends and be an example to others.

One final word. Every attempt has been made to present accurate information. However, the material presented here is intended only as a guide to begin your planning. The various lists included in this publication are for your use only and will not make your wishes legally binding. Also, laws can change over time making information incomplete or inaccurate. You are strongly encouraged to seek professional legal advice when drafting documents such as a will and power of attorney. Other professional advisors should be consulted when considering tax and financial issues.

Planned Giving Committee
Diocese of Nova Scotia and
Prince Edward Island
April, 2008



Committee Members: Rev. Michael Mitchell, chair; Barry Campbell; Kam Chung; Selma Doucet; Mauritz Erhard; Susan Francis; Roger Mason; Rev. Charlotte Ross; Michael Wood, QC; Corresponding: Ken Williams; Consultant: Charles O’Neil



As you consider ways to establish your estate plan and arrange for the distribution of your assets, you may wish to consider how your plan reflects your life of faith and stewardship. Planned Giving in the church is our response to God’s love by exercising responsible stewardship of all that we have been given by God. This will include the preparing of a valid Will to ensure that our families will be cared for in the future. It also includes, if at all possible, the planning of gifts of assets supporting God’s work in the world.

The diocesan planned giving logo expresses this concept. It is built upon the shape of a bishop’s mitre reminding us that our church is episcopally led in the succession of the Apostles. The sign of the cross represents our Lord’s passion and resurrection. The horizontal element of the cross represents the world and the vertical, God.

As Christians we are called to live our lives at the intersection of the horizontal and the vertical. It is here that we respond to Christ’s call to proclaim the Gospel to the world. It is here where we discern our Christian vocation and carry out our ministry as a community grounded in faith, and as a visible sign of our witness to Christ.

Through our faith we respond generously to God’s love in our lives. We exercise good stewardship of God’s generous gifts to us, both as individuals and corporately, as a church. Our responsible stewardship will bear the fruit from which the seeds of our church’s ministry to future generations will grow and flourish.

The Rev. Canon David Collins Reid

1941 - 2007

This publication is dedicated to the memory of The Rev. Canon David Collins Reid; priest, teacher, mentor, friend, counselor and faithful steward.

David was passionate about his family, his faith and life. Throughout his ministry he tirelessly promoted the theology of Christian stewardship as a means to deepen one's relationship with God. He did so by example with compassion and humour.



David and Patti Reid

In drawing his will David instructed his lawyer to include the following as a statement of his faith.

THIS IS THE LAST WILL AND TESTAMENT of me, DAVID COLLINS REID, of Dartmouth, Nova Scotia.

I believe in the Lord Jesus Christ. I am secure in God's love for me and I am confident of everlasting life procured for me through the life, death and resurrection of Jesus. I leave those who survive me the comfort of knowing that I have died in this faith and I am now with my Lord in eternal glory.

As a final act of faith and thanksgiving for all the blessings of my life, I have directed below that twenty-five percent of my estate be divided equally between the Growth for Ministry Fund of the Diocese of Nova Scotia and Prince Edward Island and the Leap for Faith Endowment Fund in the Diocese of Nova Scotia and Prince Edward Island. I like to think of this as a "fourth child" and give this in gratitude to God who has given me everything.*

May David's soul rest in peace and light perpetual shine upon him for evermore.

*For more information on faith statements see page 15; and on "adopting the church" in your Will see page 8 .

About Estate Planning

In this chapter...

- About Estate Planning
- The Value of Your Estate
- Probate
- Life Insurance as a Planning Tool

Estate planning is the process of making formal arrangements to give your assets to beneficiaries. Distributions may be made after your death or during your lifetime. A combination of both is common. For Christians, our estate planning should be done within the context of stewardship—the acknowledgement that all we have is a gift from God, and the management and use of these gifts to the glory of God.

This booklet will provide information to help you prayerfully consider your estate planning needs and to seek the professional assistance you need to ensure your wishes will be followed.

Your estate can be thought of simply as a trust into which all your assets (money, property, personal belongings) are transferred on your death, pending distribution. Often, when people think an estate, images of wealth, luxury homes and large yachts come to mind! While most of us will be dealing with more modest possessions, we will all leave some sort of an estate when we die, and we should have a well-crafted plan to distribute it after our death.

A properly designed estate plan can accomplish the following:

- Estate assets will be distributed according to your wishes in a timely manner.
- Income taxes owing upon death will be minimized.
- Your beneficiaries will receive more assets.
- Your estate's legal proceedings will be less complicated and expensive.

The concept of estate planning is simple. However, designing an estate plan that meets your unique goals, objectives and needs may be more complex. It often requires a sophisticated approach, especially for those with significant assets. But whether your estate is straightforward or more complicated, the goal should be to design a complete strategy that assures the appropriate handling, administering, and disposition of your estate assets according to your wishes and needs.

The Value of Your Estate

You may be surprised at the total value of your estate when you include all your property—like your home, RRSP/RRIF's, pension, insurance, investments and other assets. A prayerfully considered, professionally prepared estate plan can help maintain this value for your heirs by minimizing the amount of income tax owed and reducing probate and other fees. An effective estate plan can ensure your assets are distributed according to your wishes. It can protect your beneficiaries from costly and needless delay and aggravation in settling your estate. On the other hand, an estate that cannot be settled promptly can mean extra expenses for your beneficiaries who may lack financial resources.

A good first step in preparing your estate plan is to make a record of your assets, and keep it up-to-date. A helpful form is provided on page 6.

When listing your assets, consider the following:

- In whose name is the title to your house?
Is it jointly-owned with your spouse? This is important in determining whether it will be distributed through your Will or not.
- Who are the beneficiaries under your pension plan and life insurance policies? If there are named beneficiaries, these assets will be processed outside of your Will.
- What is the total value of your assets?
- If you own a business, do you have a succession plan in place?
- Have you loaned money to family members?
Has this been documented?

You should keep clear records of what you owe, such as mortgages, bank loans, etc. You should also calculate taxes that would be owing in the future when you dispose of capital property like a cottage or investments. This is explained more fully on page 7.

By calculating the value of what you own, and subtracting what you owe (including income taxes), you will have an estimate of what will be available for your heirs. Keep in mind that there is a cost to administer and settle an estate. Roughly, this can be between two and six per cent of the total estate value. A helpful form to do this is found on page 6.

Understanding the terms

estate planning—to make arrangements for how your assets will be distributed at the time of your death in a tax efficient manner

trust—a legal relationship where a person or entity (the trustee) holds money or property for the benefit of another (the beneficiary)

assets—all that you own, including property, securities, money and personal belongings

probate—the process of administering the estate of a deceased person under the supervision of the Probate Court

Note: The tax-related information in this guide reflects 2008 tax law.



Probate

Your total estate includes everything you own or have an interest in. However, not everything will be transferred through your Will in the process of probate.

Your Will governs:

- Property in your name alone
- Property owned by you and others as tenants in common
- Property payable to your estate because of your death
- Proceeds from life insurance policies and retirement plans payable to your estate
- Income to which you were entitled but had not received at the time of death

The following items pass **outside** your Will:

- Real estate and bank accounts held in joint tenancy
- Life insurance proceeds paid to named beneficiaries
- Pension benefits paid to a spouse or children
- Property held in trust

Probate fees

Probate is the process of administering the estate of a deceased person under the supervision of the Probate court. There is a cost to do this.

In Nova Scotia, at the time of publication, fees are as follows:

Estates up to \$10,000 = \$75

\$10,001 to \$25,000 = \$188

\$25,001 to \$50,000 = \$313

\$50,001 to \$100,000 = \$876

Estates above \$100,001 = \$876 plus \$14.79 for every \$1,000 or fraction thereof in excess of \$100,001

In Prince Edward Island, at the time of publication, fees are as follows:

Estates up to \$10,000 = \$50

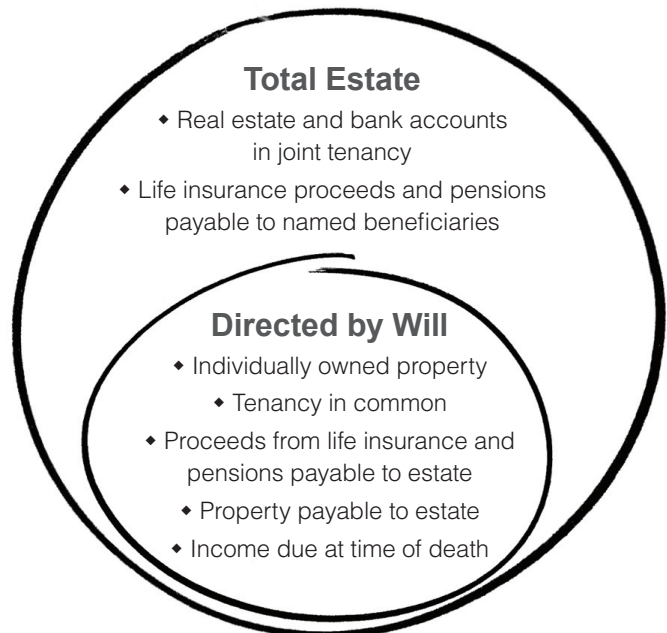
\$10,001 to \$25,000 = \$100

\$25,001 to \$50,000 = \$200

\$50,001 to \$100,000 = \$400

Estates above \$100,001 = \$400 plus \$4.00 for every \$1,000 or fraction thereof in excess of \$100,001

You can reduce the amount of your estate that must be probated by using a number of strategies. One is to hold assets—such as property and bank accounts—jointly with someone who you want to receive the property after your death. However, reducing probate fees should not drive your planning process. Also, there are significant legal implications in establishing joint property that must be carefully thought through to avoid unintended and costly consequences. Consultation with a lawyer is vital in this situation.



Chapter 1: About Estate Planning

Life Insurance as a Planning Tool

Most people have some type of life insurance, but few understand what a flexible tool it can be for estate planning. Insurance is not just protection for emergencies. It can allow you to accumulate funds on a tax-sheltered basis to supplement your retirement income. It can provide replacement income for your dependants if something should happen to you. Or it can help you and your family pay for anticipated future expenses such as children's education.

Taxation of life insurance

Life insurance proceeds received on the death of the insured person generally are not taxable. This is the reason life insurance is so valuable. It provides tax-free cash at a time when funeral expenses must be paid, and when your family members are distracted from their normal activities. The proceeds of a life insurance policy can provide a financial cushion at a stressful time.

Some policies accumulate a cash value and can be surrendered for the cash, but this will have tax consequences. Your insurance broker can help you determine those tax implications. But again, the death benefit of a policy is generally not taxable.

Possible beneficiaries

Most people think of family members as beneficiaries of an insurance policy. However, it is also possible to name your estate or a charitable organization as beneficiary, or even to create a trust with life insurance proceeds. These options are briefly described here.

Estate:

Naming your estate as beneficiary of a life insurance policy provides liquidity that can be very helpful, particularly if significant taxes will be due in the year of death. Proceeds of the policy will be part of the probated estate and therefore subject to probate fees.

Family members:

Spouses and children are the most frequently named beneficiaries of insurance policies; usually purchased to provide for their financial security. For most policies, it is possible to name a primary beneficiary, such as your spouse, and contingent beneficiaries—other family members—in the event your spouse does not survive you.

Organizations:

Naming an organization as beneficiary can allow you to make a substantial charitable gift at a modest cost. This can be done either by changing the beneficiary designation of an existing policy or by purchasing a new policy. Because beneficiary designations can be changed—unlike assigning ownership of a policy, which is irrevocable—naming a charitable organization as beneficiary does not qualify you to receive a donation receipt. However, if the charity remains the beneficiary, it will issue a donation receipt to your estate when it receives the death proceeds. This charitable donation receipt can reduce the taxes payable on your final tax return.

Ownership of a new policy, or an existing one with premiums still owing, can be transferred to the church or to a charity to create a future gift of the death benefit. Because ownership has been irrevocably transferred, payments for any premiums are considered to be a charitable gift and a tax receipt is issued.

Wealth Replacement Strategy

Some individuals who are considering a major gift to the church—whether in the form of cash, securities, real estate, etc.—are concerned about diminishing the legacy intended for their heirs. One way to resolve this dilemma is to purchase life insurance having a face value equal to the asset that you are donating, and to name the children (or other heirs) as the beneficiaries. If the asset is given to the church outright, the tax credit for the gift might be large enough to pay the premium needed to purchase the insurance policy.

Example

George and Martha want to contribute some stocks valued at \$100,000 to their parish, but don't want to reduce their children's inheritance. The tax credit from the gift amounts to approximately \$46,000 (i.e. 46% of \$100,000), which they spread over several years. They use a portion of this tax saving to purchase a "second-to-die" policy that will pay \$100,000 to the children when the surviving spouse dies.

If George and Martha decided not to make an outright gift, they could contribute an asset to a Charitable Remainder Trust. This would allow them to receive both income for life and a donation receipt for the present value of the trust principal that will eventually be distributed to their parish. Part of their trust income, as well as the tax credit from the donation receipt, could then be used to pay premiums on a life insurance policy that would replace the value of the asset for their heirs.

Example

At ages 68 and 67, David and Helen contribute bonds valued at \$200,000 to a Charitable Remainder Trust. They receive the net income from the bonds, which in this case is \$14,000 per year. Moreover, they are entitled to a donation receipt for \$48,247 (based on the calculated value of the future gift to the church). Assuming the combined federal/provincial tax credit is 46% of the gift, this receipt provides a tax credit of \$22,194. They then purchase a \$200,000 life insurance policy, naming their children as beneficiaries. They use the amount saved through the tax credit, plus some of the trust income, to pay the premiums. Through this arrangement they make a future gift to the church, protect their heirs, and preserve adequate cash flow for themselves!

Conclusion

Life insurance can play many roles in financial and estate planning. It can provide financial security for young families, and a more comfortable retirement as parents grow older. It can pay funeral expenses or fund capital gains tax liability that arises in an estate. It can be transferred as a gift to a family member or a charitable organization.

Your need for insurance will change as your income, assets and family dynamics change. By thinking of insurance as a flexible asset, rather than a fixed asset, you can use it to meet your family's needs and accomplish other goals that are important to you, during your lifetime and beyond. ●

Note: The tax-related information in this guide reflects 2008 tax law.



Balance Sheet

This Balance Sheet can help you estimate the value of your estate, including both assets and debts owing.

Date:

Assets:	You	Your spouse
	\$	\$
Personal residence		
Other real estate (list below)		
Personal property		
RRSP's		
RRIF's		
RPP's		
Stocks and bonds		
Life insurance		
Business interests		
Bank accounts		
(A) Total Assets	\$	\$
Liabilities:	You	Your spouse
	\$	\$
Credit cards		
Personal loans (list below)		
Business loans (list below)		
Mortgages		
(B) Total liabilities:	\$	\$
Net worth (A - B)	\$	\$

Death & Taxes

In this chapter...

- Deemed Disposition
- Registered Funds
- Charitable Bequests
- The Family Cottage
- Adopting the Church
- Professional Advice

Currently in Canada there are no estate or inheritance taxes. Nevertheless, there are tax implications on death which can have considerable impact on your estate and your heirs.

Deemed Disposition

In Canada you are deemed to have disposed of all your property at fair market value, the instant before death. This is called “deemed disposition.” Vacation property, stocks, mutual fund holdings, and other capital property may have increased in value significantly since you first acquired them. This increase in value is called a “capital gain.” Current tax laws require you to pay income tax on 50% of any capital gain. This extra income will be subject to income tax on your final tax return prepared by your executor. For many people this can add up to a considerable cost.

There are some exceptions to deemed disposition including your principal residence and some property that may be rolled over to your spouse on a tax-deferred basis until their death. Planning ahead for deemed disposition can help you reduce the amount of tax owing by your estate.

Registered Funds

Your registered funds, such as RRSP’s and RRIF’s, have grown in a tax-sheltered environment during your lifetime. However upon death, the full value of the fund will become taxable income on your final tax return. You can defer this tax by transferring the plan to your spouse through your Will (or by designating him/her a beneficiary under the plan). This means tax won’t be owing until your spouse disposes of the fund or until their death.

For those who may have adequate retirement income from other sources such as pensions, designating the church as beneficiary of the registered fund can be a way of avoiding the income tax due while still providing for heirs. Consider the following example. If the funds are left to children, approximately one half of their value will disappear in the form of income tax. If the church is the designated beneficiary, on death the charitable tax receipt issued by the church to your estate will offset the income tax due. Other non-taxed assets, such as GIC’s or bonds, could be left to heirs.

Clearly, most people will want to plan for this “deemed disposition” to reduce the impact of the capital gains tax and to retain as much value as possible in their estate for their heirs.

Charitable Bequests

Charitable bequests to the church or a favourite charity can be an important part of your estate plan. The bequest will provide a tax credit at the highest marginal tax rate on your final tax return. This credit will help reduce income taxes that may be owed. (Tax implications of charitable bequests are described in more detail on page 45.)

The Family Cottage

In some cases a cottage property may have increased in value since you first acquired it. Because of deemed disposition, your heirs may be forced to sell the property to pay the income taxes owing (due to the tax on the capital gain).

To address this problem, you could purchase a life insurance policy payable to your heirs in anticipation of the tax bill, so the death benefit from the policy will be available to cover the taxes owing.

Alternately, it may be possible to arrange a life insurance policy with the death benefit payable to the church. When the death benefit is paid, your estate is issued a tax receipt for the gift. The charitable tax credit for this gift could offset the income tax from the deemed disposition of the cottage. In this scenario, you have saved your heirs income tax and provided the church with a gift.

See pages 4 and 42 for more information on life insurance. Once again, professional advice is required to properly structure your estate plan to best advantage.

Adopting the Church

Many people with children will want to divide their estate equally among their children upon the death of the surviving spouse. One way to use the charitable tax credit to support a gift to the church is to think of the church as an “additional child” in your Will by giving the church an equal share as well. The benefit from the tax credit from the church’s portion of your estate will be divided among your children, so the reduction in their share will not be as great. And you will be supporting the future ministry of your church.

Example

If you have three children whom you want to share equally in the residue of your estate, they each will receive 33% of the residue. If you were to add an equal share to the church, then your three children and the church would each receive 25%—which is a reduction of about 8% for each child. However, the tax credit earned from the church’s portion makes more of the residue available for distribution. This means each of your children’s shares will be reduced by only about 5%, not 8% as would be the case without the tax credit.

Professional Advice

There may be other planning opportunities that could reduce your tax liability on death. Some of these opportunities can include a gift to the church or favourite charitable cause. You should consult with a professional advisor who can assist you to minimize the tax impact on your estate, and perhaps support your church’s ministry. ●

Understanding the terms

capital gain—When you dispose of an asset whose fair market value is now more than what you paid for it, the amount it has increased is a “capital gain.”

residue of your estate—What remains of your estate after bequests, taxes, fees and debts have been paid

Your Will...

...Be Done!

In this chapter...

- What the Church Says About Wills
- Life Stages and Wills
- Dying Without a Will
- Beneficiaries of Your Estate
- Your Personal Representative (Executor)
- Visiting your Lawyer
- Making your Will a Christian Testament
- St. Barnabas Society

The Will, along with Power of Attorney and Health Care Directive, make up “the Trinity*”—the three key documents—of estate planning. The Will provides instructions about what you want done with your property after your death. Making a Will is the only way to make sure your property is distributed as you wish.

The sands of time are marked with good intentions—and with Wills that were never quite finished. Making a Will is something we all know we should do, but often put aside until it’s too late. Sometimes we begin the process but don’t finish it—the Will is written but not signed.

Whatever the reason, the lack of a proper Will can have painful consequences. Treasured personal possessions are distributed in accordance with impersonal laws. Heirs experience needless expense and emotional distress. Opportunities to express one’s values, faith and convictions through special bequests to the church and others are lost.

Fortunately, preparing a clear and effective Will is not difficult. In less time and with less expense than you think, you can have the satisfaction of knowing that you have ensured your wishes and eased the way for those you love. Let this booklet be your guide as you *do* what you have so long *intended*.

What the Church Says About Wills

Our church’s ministry extends from birth to death. The importance of a Will, and the implications of not having one, has long been a significant aspect of that ministry.

1. The Book of Common Prayer, 1649. Visitation of the Sick

“And if he have not afore disposed his goods, let him then make his Will. (But men must be often admonished that they set an order for their temporal goods and lands, when they be in health.) And also to declare his debts, what he oweth, and what is owing to him; for discharging of his conscience, and quietness of his executors.”

*Thanks to Elizabeth Reagh, Q.C., Charlottetown, PEI

Chapter 3: Your Will...Be Done!

2. Diocesan Synod, 2006 On Stewardship, Will preparation and bequests for religious and charitable purposes

“Resolved, that this Synod affirm the responsibility of all Christians to joyfully accept God’s invitation to faithfully manage their God-given gifts of time, talent and treasure, and to boldly proclaim God’s abundant provision in our lives; and

that this Synod call upon all Christian parents to make prudent provision for the well-being of their families, and affirm the importance for all persons to make Wills as a Christian witness; and

that this Synod encourage each parish to use scripture and other resources to teach Anglicans about the importance of arranging for the orderly disposal of their temporal goods and, if they are able, to leave bequests for religious and charitable purposes as a final act of faith and thanksgiving.”

Life Stages and Wills

Once written, a Will should be reviewed every five years or so, or when there has been a significant financial or personal event in your life. A Will written when we have young children may not reflect our wishes when we are grandparents. A Will prepared when we are single may not reflect our wishes once married.

Currently, the law states that a Will becomes invalid upon marriage unless the Will specifically anticipates the marriage. In addition, in Prince Edward Island the Will must also be written within one month of the marriage. In Nova Scotia there is no such time limit.

Events in our lives often require a change in our Wills. Any of the following may require a Will update:

- Birth of a child or grandchild
- Significant change in financial status
- Change in marital status
- Change in province or country of residence
- Sale or purchase of property
- Death of a beneficiary, personal representative (executor), trustee or guardian

Another reason to update your Will is to include a bequest to the church or other charity.

The ministry of the church encompasses all of life’s stages, from birth to death. Our parishes have a unique opportunity to encourage parishioners to ensure an up-to-date Will and estate plan is in place.

Dying Without a Will

Dying without a Will is called dying *intestate*. Should this happen to you, your estate will be managed according to the provincial *intestate* law. This law determines who is to receive what assets and the timing of the transfer. The courts also will appoint an administrator of your estate who will need to be bonded through an insurance company, unless this requirement is waived by the Probate Court. In this case the larger your estate, the higher will be the cost. All this will create delays and expenses that will be borne by your estate, reducing what is left for your heirs.

It is possible you would be satisfied with the court’s choice of administrator and the division of your property by law. It is likely you would not.

Note: The tax-related information in this guide reflects 2008 tax law.

- You may have wanted your children to receive your property only after your spouse's death, not get a percentage of it now as provincial law dictates.
- You may not have wanted your underage children to receive their full share of the estate at the age of majority. (In Nova Scotia, age 19 and Prince Edward Island, age 18)
- You may have preferred to give some children a larger portion because of special needs, not equal shares as provincial law requires. Or perhaps you wanted to prepare a special *trust* for children with special needs.
- You may have chosen to leave legacies to some special friends, rather than the distant relatives stipulated by the province's rigid rules for next-of-kin succession.
- You may have intended to leave a bequest to the church or a charity that played an important role in your life, but the laws of intestacy make no allowance for charity—except the province itself in the case where you have no surviving relatives.

In making a Will, you exercise your fundamental right to choose what to do with the accumulations of a lifetime. Nevertheless, if your Will is not part of a general estate plan, your wishes could still be frustrated—even to the extent of disinheriting those you most want to help. An asset you intend to divide equally among all your children could instead be passed entirely to one of them because, years ago, it was placed in joint tenancy (joint ownership) with that child, and is therefore outside the scope of your Will. A charitable bequest you intend to make could go unmade because your Will specified particular securities which have since been sold and replaced by other property.

Good intentions are not enough to ensure that property goes to the ones you wish. Make sure your estate plan covers property governed by your Will, property held in *trust*, and property that passes to a beneficiary(ies) under a joint tenancy arrangement.

Revise your Will, and make necessary changes, when you acquire or dispose of major assets. And, of course, select as your personal representative (executor) someone who is trustworthy and competent, and who understands your wishes and your values.

Commercial Will Kits

Will kits may be purchased at stationary stores for a small price. While a valid Will may be created using the kit, it is not recommended that you use them. A Will is a legal document that must be prepared properly according to law. An error could possibly disinherit your family or make the entire Will invalid. The result would be that you are presumed to have died intestate. If you have already completed a Will using a kit, you are strongly urged to have a lawyer review it with you.

The cost to have a Will prepared by a lawyer will vary according the complexity of the estate, but the fee is minimal when compared to the cost of dying without a proper Will.

Beneficiaries of Your Estate

(a) Your spouse

A common reason why people do not write a Will is that they believe their assets will automatically go to their spouse. However, provincial intestate legislation generally divides estates equally between the surviving spouse and children. If the children are under age, the children's share will be held in *trust* until their age of majority (NS, age 19 and PEI, age 18) and then distributed. This could create significant financial difficulties for your spouse. Also, the law does not differentiate between the spouse of a first and subsequent marriage. You may not want a significant portion of your estate to be permanently disbursed to a second spouse.

Chapter 3: Your Will...Be Done!

Under a Will, a *testamentary trust* can be created. In this arrangement, assets are used to fund a trust, managed by a trustee you select, that will provide income to meet your spouse's future needs. The trustee can be given the authority to disburse some or all of the capital of the trust if needed and stipulate the conditions under which this disbursement takes place. Upon the death of the beneficiary of the trust, the Will can determine who is to receive the remaining assets of the trust. For example, this could be the church or other relatives.

A trust is particularly useful in situations where the surviving spouse may not be capable of handling finances independently due to age, illness or some other reason. Clearly, a lawyer knowledgeable in trust law should be consulted.

(b) Your children

Most people leave the bulk of their estate to their spouse, and upon their death the estate is divided among the surviving children. If your children are too young to receive their share, you can appoint a trustee to hold each child's share, or all the children's shares, in a trust until they reach a certain age. The trustee can be directed to use the trust assets for the benefit of the children. If you have more than one child, you can direct that the proceeds of the estate be kept in a single trust until the youngest reaches an age you choose. Then, whatever is left in the trust can be divided equally among the children under conditions you determine. (For example, the proceeds can be held until all children are educated to a standard determined by the guardian.)

Did You Know?

You should not put requests for funeral and burial arrangements in your Will. A Will usually is reviewed by the executor after the funeral. Funeral and burial information should be in a separate letter given to your executor when your Will is prepared. You also should share your wishes with your family.

If a child's share is expected to be substantial, you could direct that it be given in stages—part at one age and the balance at a later age, or perhaps at a certain event in their life.

You should consider:

- how much flexibility will the trustee have as to use of the income and the capital of the trust? Will the capital of the trust be available to the children upon demand or only under certain circumstances? It is not necessary to anticipate every possible circumstance. You can give the trustee the power to use some of the principal but provide general guidelines governing when this could happen, or leave the decision at the discretion of the trustee.
- if a child dies before receiving the balance of their share, who will receive what is left? His/her children? His/her spouse? As he/she directs in their Will? Your other descendants?

If a child is not capable of managing what they receive, a Discretionary trust can be established for the lifetime of the child, with the balance at their death disbursed to other family members, or to the church or charity. Care must be taken to select appropriate successor trustees in the event the first trustee dies. In the case where a child will likely outlive the first trustee, a trust company could be considered.

Guardians

A Will offers you the opportunity to name a guardian of your underage children, should both you and your spouse die. Naming a guardian will avoid disputes among family members with the court having to decide. It is a good idea to appoint a separate guardian and trustee to avoid the possibility of a conflict of interest. It is also important to check with the individuals you name to ensure they are willing and able to act.



(c) Others

You may make a specific bequest to someone in your Will, either as an outright gift or within a trust, and with or without conditions. This gift may be either a set amount or a percentage of the residue of your estate. If you have no immediate family, you need to carefully consider who you want to share in your estate. Often in these circumstances individuals will name a favourite charity or the church. It is essential that the correct legal name of the organization is used to avoid confusion and to ensure that your intended charity receives the gift.

Personal and Household Effects

You may have special items you want to give to particular people. There are several ways to handle this and it is important to discuss your wishes with your lawyer. You could outline your wishes in your Will. However this can lead to difficulties if you have disposed of these items before your death or they cannot be found. You also may want to change your mind and this will require a change to your Will. An alternative is to draw up a list of these items and those you wish to receive them and keep it with your Will. The list is not binding upon your personal representative (executor), but it will be helpful to them in determining your wishes. Another method is to give your personal representative the power in your Will to distribute the items as they see fit.

Dependents

Under law you have a responsibility to provide for your dependants as well as your spouse and other family members. Even adult children may have a legal claim on your estate. That is why it is important to consult a lawyer to ensure your Will is properly drafted.

Ensuring that Each Heir is Treated Appropriately

If you have minor children (NS, age 19 and PEI, age 18) you may want to establish a trust for their care if both you and your spouse were to die. Principal distributions would be delayed until whatever age you judge the children to be mature enough to receive them.

If you have one child who manages money well and another who doesn't, you could leave the one child a lump sum and the other a "stream of income" through a trust or annuity. Likewise, if you have a child with disabilities, the best arrangement may be a trust in which the trustee has discretion to make distributions for special needs and residential care.

When you have children by a previous marriage, a common problem is how to provide adequately for your surviving spouse while ensuring that your property (any estate assets) eventually gets to your children. Simply bequeathing your property to your spouse, or placing it in joint ownership with right of survivorship, could cause your children to be disinherited if the surviving spouse:

- dies without a valid Will, in which case all the property would go to his or her next of kin; or,
- remarries and transfers property to the new spouse; or,
- makes a new Will leaving most of the property to his or her relatives and preferred institutions.

The solution may be a *spousal trust* created under your Will. It pays all of the income from the trust property (and some principal, if you choose) to your spouse. At his or her death, the remaining principal from the trust is distributed to your children.

Your Personal Representative (Executor)

The person(s) you appoint in your Will to administer your estate is called the “personal representative” or “executor.” There is a considerable amount of work to settling an estate, yet many people will appoint a spouse or close relative without giving much thought to the skills necessary. It also is important to obtain their consent. Personal representatives may refuse to act so it is important to know this in advance. You should also consider an alternate representative in case your first choice dies before you or is unable or unwilling to act.

Personal representatives not only need to be honest and fair but have good judgment. The duties can be complex and will certainly last at least a year, and often considerably longer.

Some of the duties of the personal representative include:

- Locate and review the Will
- Communicate with beneficiaries
- Locate and protect all assets and register them in the name of the estate
- Protect any business interests
- Obtain value of all assets and liabilities
- Communicate with a lawyer regarding all legal matters including probate
- Advertise for creditors
- Pay all taxes, debts and bills
- Provide an accounting of all income and disbursements of the estate
- Distribute the estate
- Handle any trusts and investments

The personal representative is personally liable for the amounts distributed from the estate, and therefore must be very careful for example, to obtain income tax clearance from Canada Revenue Agency (CRA) prior to distribution.

There are many opportunities for conflict among family members and other beneficiaries of an estate. The personal representative needs to be able to meet demands and disagreements with an even hand keeping in mind the best interests of your estate. Appointing a trust company can be a prudent decision. Sometimes a trusted family member and trust company are appointed as joint representatives.

Making the best choice of who will be your personal representative is one of the most important aspects of making a Will.

Fees

A personal representative is entitled by law to a fee for their service. Currently the fee in Nova Scotia is a maximum of 5% of the value of the assets passing under the Will. In Prince Edward Island the fee is typically below 5%. This is normally paid after the estate is wound up—which can take at least a year or more. As a rule, the fee is considered taxable income. Trust companies will usually establish a contractual fee with you when you create your Will.

Note: The tax-related information and fees described in this guide reflect 2008 tax law.

Visiting your Lawyer

The following information should be gathered before you visit your lawyer. This will save time and expense and keep you focused.

1. Make a list of every person for whom you have responsibility. e.g. minor children, aging parents and other dependants
2. List the full legal name of every person, charity and church organization you would like to remember in your Will. If you wish to remember the church, contact your Rector or diocesan gift planning consultant to ensure your wishes can be carried out.
3. Make a list of your significant assets and property—including bank accounts, investments, life insurance and retirement plans.
4. Make a list of all your debts and obligations.
5. Ask your chosen personal representative(s), guardian for minor children and trustee (if applicable) if they are willing to serve.
6. Take with you any existing Will, Powers of Attorney and Health Care Directives.
7. List any specific property or belongings you wish a particular person to receive.

Making your Will a Christian Testament

A Will can be thought of as being in two parts—the testament or story of the testator’s life and the actual Will or legal document distributing the estate. In modern times we seem to have lost the testament part altogether and are left with the dry legal document. The “story” is left out.

One way to put the testament back into our “Last Will and Testament” is to include a simple faith statement. Charles Gearing, a church financial development consultant in the Episcopal Church, suggests that by making a statement of faith such as the one below part of our Will, it can be both an expression of our will and a testament to our faith.

I, _____, of _____
_____, do make and publish this my Last Will and Testament.

I believe in the Lord, Jesus Christ. I am secure in God’s love for me and am confident of everlasting life procured for me through the life, passion, death and resurrection of Jesus Christ. I leave those who survive me the comfort of knowing that I have died in this faith and am now with my Lord in eternal glory.

And as a final act of faith and thanksgiving for all of the blessings of my life, I have directed below in section ____ that a [* e.g. tithe of ten percent] of my estate be divided equally between [** e.g. my parish church, the Diocese of Nova Scotia and Prince Edward Island and The Primate’s World Relief and Development Fund] to continue God’s work in the world.

* Insert amount or percentage

**List any particular ministry(ies) or “for general purposes.”

Gearing says that our Will is arguably the most important document we will ever sign and suggests using it to bear witness to the most important thing about us—our Christian faith. “Just remember that your Will is the final statement you will ever make to this world. It will be the very last opportunity you will have in this life to proclaim the Good News and to express your gratitude to God for the abundance you have enjoyed,” he says.

Chapter 3: Your Will...Be Done!

St. Barnabas Society

If you have arranged a future gift to your parish, diocesan or national ministry through a bequest in your Will or through life insurance, do let us know. We will add your name to the growing 'St. Barnabas Society' list of Anglicans who have provided future support for ministry where it will encourage still others to take that important step.

On occasion the diocesan bishop, during itinerary visits throughout the diocese, invites those who have arranged these gifts to a reception, giving the church an opportunity to express gratitude for their thoughtfulness

and generosity. It also allows the individual to witness to their faith through their gift. If you would like to be included in these events please contact the diocesan gift planning consultant at (902) 477-0105 or plannedgiving@nspeidiocese.ca

Thus Joseph who was surnamed by the apostles Barnabas (which means, son of encouragement), a Levite, a native of Cyprus, sold a field which belonged to him, and brought the money and laid it at the apostles' feet. ~ Acts 4:36-37

Understanding the terms

estate plan – A plan for the distribution of your assets upon death. To be most effective, it includes three documents (“the Trinity”)—a Will, a Power of Attorney and a Health Care Directive.

intestate – Dying without a Will is called dying intestate, which means your estate will be administered according to provincial intestate law, not according to your specific wishes.

testamentary trust – A trust fund described in your Will that would be created upon your death to provide a named beneficiary with funds from your estate.

trust fund – An arrangement where you name a trustee to be responsible for some of your money or property. The trustee will give access to the money or property to the people you name (beneficiaries) under the schedule or guidelines that you name.

personal representative (executor) – The person you legally name in your Will to manage the distribution of your estate, upon your death.

Power of Attorney

In this chapter...

- Reasons to Have a Power of Attorney
- Defining the Power
- Medical Decisions
- Risks
- The Alternative

The second key document of your estate plan “Trinity” is the *Power of Attorney*. It goes with your Will and Health Care Directive to make up a well-prepared plan. A Power of Attorney is a legal document that lets you (the “donor” or “principal”) give another person (the “attorney”) authority to act on your behalf. The attorney does not have to be a lawyer.

Giving someone a Power of Attorney does not limit you from acting on your own behalf. You still have control of your financial affairs and are free to deal with your property, money, and investments. A Power of Attorney ceases upon death of the donor. At that time your Will takes over.

If you do not wish to give a relative or friend Power of Attorney, you can appoint a lawyer or trust company. Also, depending on the circumstances, the provincial Office of the Public Trustee may agree to act as your attorney.

Reasons to Have a Power of Attorney

At any time during your life, you might decide to give someone Power of Attorney to keep your affairs running smoothly while you are not physically able to do so yourself. This could be because you are ill or infirm; because you will be travelling or working away from home for awhile; or because you suffered an accident which has left you physically incapacitated. A Power of Attorney can be set up for a long or short time, and it can give either broad or specific powers to the person you select as attorney.

In Case of Mental Incapacity

If you become mentally incompetent, a Power of Attorney becomes invalid unless it is an *Enduring Power of Attorney*. An Enduring Power of Attorney is one that specifically provides for the power to remain in force if you become mentally incompetent.

Chapter 4: Power of Attorney

For estate planning purposes, it is best to have an Enduring Power of Attorney. Selecting a competent and trusted person as attorney now, gives you the peace of mind that someone who knows you and your values will still be able to act on your behalf if you become mentally incompetent. If you do not have an Enduring Power of Attorney and you become mentally incompetent, a guardian may have to be appointed by the courts to handle your affairs.

Defining the Powers

You choose what powers to give your attorney. A *general* Power of Attorney gives the attorney power to act in every capacity for you. A *specific* Power of Attorney gives the attorney power to carry out specific acts only, such as the power to sell land or access a bank account. You must be sure that a specific Power of Attorney gives your attorney enough power to complete the task. For example, a power to purchase a piece of land should include the power to sign all documents necessary to complete the purchase.

Medical Decisions

Appointing someone to make medical decisions for you is a kind of Power of Attorney, but the documentation required to set this up varies from province to province. Laws in NS and PEI let you give someone power to consent to medical treatment (or other care) on your behalf if you become mentally or physically incapable of giving consent.

In Nova Scotia your named attorney can make medical decisions for you if your Power of Attorney document specifically gives them the authority.

In Prince Edward Island your Power of Attorney document may not give this authority. Therefore, you are wise to prepare a separate document called the "Health Care Directive." See page 20.

For either province, the power must be given in writing, signed by you, and witnessed. The witness cannot be either the attorney or the attorney's spouse.

Risks

Most people appointed as attorneys are honest and do their best to manage your affairs in accordance with your wishes. However, an attorney could use your property for their own benefit. Or, they may deal with property in a way that goes against your wishes because they believe they know what is in your best interests.

Depending on the terms of the power, your attorney may be able to withdraw cash from your bank accounts, buy and sell investments on your behalf, deal with your property, and sign contracts on your behalf. If your attorney has power to deal with your bank accounts and investments, your bank does not have to tell you that cash is being withdrawn from your account. However, some banks may have a policy to tell you if large sums are being withdrawn.

You should carefully select your named attorney and make sure you know what your Power of Attorney is being used for. Your lawyer is the best source of information concerning the drawing of a Power of Attorney and the powers it provides.



The Alternative

If you become incapacitated without a Power of Attorney in place and something needs your signature, the court will have to appoint someone to act on your behalf. In PEI this is called a “committee” (pronounced COM-ee-tay). You likely will have no say in who is appointed as your legal guardian, and the process is costly in time and money. Legal fees, medical fees for two doctors, and court fees all will be incurred. Guardians also may have to be bonded (unless you use a trust company) which requires substantial annual insurance premiums. A seven to eight week delay is typical. A formal accounting of the money handled by the guardian may be required.

Having these arrangements in place will not only give you peace of mind, but also will provide your family with comfort—knowing that arrangements are in place to protect them. This will avoid placing them in a position of having to second guess your wishes.

By planning ahead, you will best be able to have your affairs managed in the way you would like, both during your lifetime and upon death. 🌱

Health Care Directives & Living Wills

In addition to a Will and Power of Attorney, a Health Care Directive is the third piece in “the Trinity” of a well-prepared estate plan.

While a Power of Attorney gives power to someone to act on your behalf, possibly even in medical situations, it may not cover what your wishes are regarding medical treatment. This is the role of the health care directive.

A health care directive is a document in which you explain your wishes about health care and/or treatment, in case you are unable to make or communicate your decisions. The directive can also include a written appointment of one or more proxies. A proxy is a person whom you would like to make decisions about your health care and personal care.

In Nova Scotia and Prince Edward Island these documents are governed by provincial legislation. In Nova Scotia health care directives are officially called *Powers of Attorney for Health Care or personal care and advanced directives*. The health care directive can be part of an Enduring Power of Attorney. In Prince Edward Island the health care directive should be a separate document. For both provinces, the directive becomes valid when you are no longer capable of giving consent to medical treatment or directions about your health and personal care.

Health care directives can also include additional instructions on terminal illness known as a “living will.” A living will states what types of medical treatment you would like if you were terminally ill and no longer able to make or communicate your wishes. The living will instructions can be very specific or general. Most medical practitioners prefer general guidelines, as it is difficult to anticipate every situation that may arise.

Currently, in Nova Scotia living wills are not official legal documents, but they are generally respected by medical staff if the statement of wishes is included as part of a health care directive. In Prince Edward Island a living will, by law, can be in the form of a health care directive, which in this province is a legal document.

You can appoint one or more proxies under your health care directive. Normally the proxies are not paid. It is a good idea to appoint a substitute proxy in the event the original person is unable or unwilling to act.

If you are rendered incapable of making health care decisions and you do not have a health care directive in place, a guardian will be appointed by the courts. In addition to being a costly and time consuming process, the appointed guardian may not be the person you would have wanted to make these decisions on your behalf. 🍷

Death, Funerals & Christian Burial

In this chapter...

- What is Death?
- The Body
- What is a Funeral Service?
- Roles of the Funeral Director and the Parish Priest
- Making Funeral Arrangements
- Advanced Planning
- Memorial Gifts

The Church plays an important supportive role for family and friends at the time of a loved one's death. One such way is through the rites of the funeral and burial service, described this way:

“Christian burial is the reverent committal of the deceased to the care of Almighty God and the bodily remains to the elements from which the body came. It provides an opportunity for family and friends to remember with thankfulness the person, and to be comforted and strengthened in their bereavement. The Christian burial service combines true acknowledgement of death with Christian hope and thanksgiving to God for life.”

~ Bishop's Guidelines, Diocese of NS & PEI

What is Death?

In death the body ceases to function. Nevertheless the Christian faith asserts that life goes beyond what we observe. We do not consider death as an end because of our belief that Jesus Christ overcame death to live again. We are promised in the Bible that through the resurrection of Jesus we may anticipate life after death for ourselves and others.

After a death, family members face four key sets of decisions:

1. What to do with the body
2. What services and merchandise to purchase
3. How the funeral service will best acknowledge the death and celebrate the life
4. How to memorialize the life

Your parish priest will assist you with these decisions and in the planning of your funeral that will give thanks to God who is the Lord of the dead and the living. Working together, your funeral arrangements will be a dignified expression of caring love and Christian hope.

The Body

- 1) Burial means that the body, in some sort of casket, will be placed in a grave plot, perhaps with an outer burial container if required by local laws. Costs will vary widely depending upon the location and the supplier. The church encourages that caskets, urns, and funeral arrangements in general, be unpretentious.
- 2) Entombment is placing the body in a casket and then in an above-ground crypt. The costs are about the same as burial.
- 3) Cremation is the dehydrating of the body by extreme heat and then crushing the remaining bones and fragments. Cremation is an option chosen by a growing percentage of Canadians. Regarding cost, cremation may or may not be lower than that of a traditional burial, depending upon options selected.
- 4) Donating the body for teaching or research purposes is possible through local medical schools. Dalhousie University in Halifax, NS accepts bodies for its medical school. Acceptance of the body will depend upon the need of the Medical School at the time. For more information, contact the Department of Anatomy & Neurobiology at (902) 494-6850.

Organ donation for transplant is also possible. The state of the body will determine usefulness. Some conditions, like contagious diseases, obesity, trauma, recent surgery or emaciation will make it impossible. Corneas, even of elderly persons, are welcomed. It is important to remember that a body from which organs have been removed will not be accepted for medical study, and the family will have to arrange burial or cremation. See *Resources*, page 46 for contact information.

What is a Funeral Service?

The Office for the "Burial of the Dead" is an ancient service of the church to:

- Mark the passing of those who have died
- To give thanks for their life
- To comfort those who mourn.

The Anglican Church of Canada offers two forms of funeral service:

The Book of Common Prayer (1962)

The official prayer book of the Church offers a traditional service which expresses the confidence and hope of our faith in the Risen Christ.

The Book of Alternative Services

This is a more contemporary service providing more opportunity for involvement by family and friends of the deceased.

Both books assume the body will be present during the service. Your parish priest needs to be consulted if you wish to exclude the body or ashes from the public service. One option is to request a Memorial Service without the presence of the body. However for a funeral service, the purpose of its rites and customs is to help mourners face death and move through grief to healing. The presence of the body or the ashes confirms the reality of death.



The Funeral Service

The church service provides opportunity for those present to:

- Express the joy of the resurrection, even in the face of tragedy
- Explore the meaning of life, death and eternal life
- Express sympathy, grief and forgiveness
- Affirm faith—in God the Father who gives life, in Jesus Christ our Lord and Saviour, and in the Holy Spirit as guide and sustainer

Service structure, readings, music, readers and lay leaders are all arranged with the parish priest. Holy Communion may be celebrated at the time of the funeral as a means of affirming faith in a God who identifies with humanity in both life and death.

In recognition of the equality of all people in death, and our common dignity in baptism, the coffin is covered with a “pall” or a large white cloth. The offering of eulogies, or statements of praise of the person who has died, is not part of the Anglican tradition. We place our emphasis on the love and mercy of God and on the ultimate joy of the resurrection of Jesus.

Your priest will be pleased to discuss the service arrangements with you, and if you wish, retain your instructions in the parish files.

Did You Know?

You should not put requests for funeral and burial arrangements in your Will. A Will usually is reviewed by the executor after the funeral. Funeral and burial information should be in a separate letter given to your executor when your Will is prepared. You also should share your wishes with your family.

Roles of the Funeral Director and the Parish Priest

At the time of death the parish priest acts on behalf of the Christian community in expressing faith and compassion. He or she should be called immediately by the family when a death occurs to offer consolation, pastoral support and practical help in making funeral arrangements. By means of this ministry, those bereaved are helped to:

- Express feelings of grief
- To affirm Christian faith and love
- To renew hope in the light in the resurrection

The funeral director can be very helpful in planning for a funeral. Funeral homes offer a variety of services and can help to arrange the pre-payment of the funeral if desired. We strongly recommend that the priest be called upon to support the bereaved in the proper ordering of these affairs and to assist in any pre-planning of the funeral.

Making Funeral Arrangements

Funerals probably rank among the most expensive purchases you will ever make. A traditional funeral including a modest casket currently costs about \$5,000 to \$7,000. Extras such as flowers, obituary notices, and limousines can be an additional thousand dollars or more. If you do not communicate your wishes to your family they will face considerable uncertainty and perhaps be tempted or persuaded to spend more than you would want for your arrangements.

While most funeral providers are professionals who strive to meet their clients’ needs and best interests, there are cases where families have been taken advantage of through inflated prices, overcharges and unnecessary

Chapter 6: Death, Funerals and Christian Burial

services. Fortunately, there are laws to make it easier to select only those services you need or want, and to pay for only those you select. Provincial regulations require funeral directors to give you itemized prices in person or, if you request, over the phone. The funeral provider must show you descriptions of the caskets or outer burial container and the prices before actually showing you the caskets. Many funeral providers offer various packages of commonly selected goods and services that make up a funeral. However, when you arrange for a funeral you have the right to buy individual goods and services rather than a package that may include things you do not want.

Regulations:

- You have the right to choose the funeral goods and services you want (with some exceptions)
- The funeral provider must state this right in writing on a general price list
- If provincial or local law requires you to buy any particular item, the funeral provider must disclose it on the price list, referencing the particular law
- The funeral provider may not refuse, or charge a fee, to handle a casket you bought elsewhere
- A funeral provider that offers cremations must make a choice of containers available for the ashes

Advanced Planning

To help relieve your family from some of the above decisions, you should consider a funeral plan. This should be thought of as an extension of your Will and estate plan. Be sure to include your parish priest in your discussions with funeral providers to ensure your wishes reflect Christian practices. Planning now will save your family considerable stress and possible conflict and expense at a time when they will be most vulnerable.

Pre-payment

It is possible to enter into a contract with a funeral provider to pre-pay your funeral expenses at today's costs and avoid the effects of inflation. The payment can be made by a lump sum or installments. The funeral provider holds this money under a legal trust arrangement governed by regulations under the federal Cemetery and Funeral Services Act and can not access the funds until your death. These funds are protected from legal judgments against the provider or their insolvency. If the funeral home is no longer in business upon your death, the trust funds may be assigned to another funeral home.

It is important to let your family know of these arrangements (and where to find any documents) so when the time comes they do not proceed with arrangements through another funeral provider.

Financial Assistance

Funerals are not expensive when compared with other major life cycle events such as weddings. Wedding costs can be several times that of a funeral, but because weddings are happy events, their cost is rarely criticized.

A funeral home is a 24-hour labour intensive business with extensive facilities (viewing rooms, chapel, limousines, hearses, etc.) These expenses must be factored into the cost of the service. The cost of a funeral also includes merchandise, such as caskets, as well as the services of a funeral director coordinating arrangements, filing forms and dealing with doctors, clergy, florists, newspapers and others.



There are some possible sources of assistance to cover funeral costs:

1. Canada Pension Benefit

If the deceased qualified by having an adequate wage earning record, certain death, funeral and survivor benefits may be available.

2. Union or Employer benefits

These funds sometimes help to defray funeral costs. They may also allow a pension to the survivor.

3. Insurance

Life, health and accident policies should be examined for benefits. Sometimes, medical benefits from automobile insurance policies can be applied to funeral expenses.

4. Fraternal Orders or Professional Groups

Funds may be available to you.

5. Workers' Compensation

Certain benefits may be available if the cause of death is related to the deceased's employment.

6. Veterans Affairs Canada

If you are a recipient of a War Disability Pension or War Veteran's Allowance, you may be eligible for a funeral grant. If you are not eligible for a grant, and your family or estate is unable to pay for the funeral, an application may be made for a Last Post Burial. This should be discussed with the Funeral Director.

The Last Post Fund Corporation (LPF) has been mandated to deliver a financial assistance program on behalf of Veterans Affairs Canada (VAC). The LPF is a non-profit organization which is closely associated with VAC and will provide, as far as possible, an honourable funeral and burial, including a military-style grave marker to eligible ex-service persons.

Memorial Gifts

Today many people encourage memorial donations in lieu of flowers. This is an opportunity for family and friends to support worthwhile charitable work important to you while expressing sympathy for your family. Most charities are pleased to accept these donations and will notify your family that a donation has been made. You are encouraged to include your parish, diocesan or national ministry in this list in recognition of the church's ministry throughout your entire life. Don't forget to include a mailing address in the announcement.

At times, families decide to make an additional gift to the church in memory of the deceased. It is most helpful if such donations are for general purposes or for the parish's designated memorial fund. If you would like this gift be used for a particular purpose, it is important to discuss your wish with the parish priest to ensure it is viable.

Conclusion

The Church lives in hope because of the resurrection of Jesus Christ—we see a sense of victory underlying death. Our feelings of hurt when someone close to us dies and our enduring hope both find expression in the Church's rites at the time of death and after. Through the pre-planning of your funeral you have the ability to ensure that it will be a strong statement of your faith and provide your family and friends with a time of comfort and strength through the gathered Christian community.

"The Lord is my shepherd; I shall not want. He maketh me lie down in green pastures, and leadeth me beside the waters of comfort. Yea, though I walk through the valley of the shadow of death, I shall not fear; for thou art with me."

~ Psalm 23:1-2

Reflections

on Funeral Liturgies and Funeral Planning

by The Rev. Lori Ramsey

This is a subject most people would rather avoid. But, we clearly live in a death-denying culture. Many people try to avoid those who are sick or dying. Hospitals and seniors residences have made this possible to a great degree by taking the main burden of care for the chronically ill from families. The advertising industry encourages us to pursue perpetual youth and to deny the signs of aging and mortality. The funeral service industry, while it is made up of dedicated professionals who minister to families in loss, may also help to perpetuate the avoidance of death by “prettying it up” with flowers, elaborate caskets, make-up and lovely clothes. At the most extreme end of this trend in our society are those who use science to pursue ways to avoid death; with things like cryogenic storage and the banking of their DNA for possible future cloning.

To these realities of our society the scriptures speak their ancient wisdom about the power of God to bring new life out of death. As a faith community, we celebrate the life and death and resurrection of Jesus, the Christ, who said “Unless a grain of wheat falls into the earth and dies, it remains a single grain, but if it dies, it bears much fruit.” Living in his way gives us a peace about our

own life and our death. Following God’s values as we see them in Jesus, allows us to live as though death is not the end of everything. It allows us to find new life in every situation, even in what is mortal. God encourages us to look death in the eye, but with the perspective of faith to give us courage.

Planning is Good Stewardship

It is part of good Christian stewardship and a good use of one’s God-given gifts to plan for our own funerals. The funeral industry certainly encourages pre-planning and I believe we should be encouraging the people in our faith communities to include the church in any pre-planning they do. I have greatly appreciated the opportunity that some parishioners have given me to sit with them and with the funeral director to make their plans. Some have then committed their plans to paper and given them into my keeping to be stored at the parish office until they are needed. This is a good way of ensuring your wishes can be honoured with regard to the location of your funeral, its liturgy, officiant, participants, music, and scriptures.

Christian Burial

As you plan, it is good to keep in mind some of the very basic things our church teaches about Christian burial. Most importantly, it is Christian burial. This means that there is an element of joy and confidence in the face of death that a secular ceremony might lack. This is because of our resurrection faith in Jesus Christ. We believe that in Christian burial, we are commending a beloved person back to God and commending a beloved body back to the earth and the elements from which that body came to us. We believe it is a time for family and friends to remember with thanksgiving the life God gave to their loved one and to be comforted and strengthened in their bereavement. The Christian burial service seeks to combine a realistic acknowledgment of loss and death with true hope and thanksgiving to God for life. It is good when you are planning your funeral liturgy to ask yourself, "What do I want this liturgy to say about me and what I believed and honoured?"

Some other Questions to Ask:

1) *Where will my liturgy be held?*

Though exceptions can be made for pastoral reasons, Anglican custom makes it clear that funeral services are normally to be held in church. A funeral home, though convenient, is a place of business. It is not consecrated, nor does it represent the community of God's faithful people in the world in the way the church building does. In the church building, the community of faith expresses its life and worship through word, prayer and sacrament, in the midst of symbols that speak of hope and eternal life. It is important to realize the witness we can make for Christ by the simple act of being brought to the church for our burial rite.

2) *What will my arrangements say about who I was and who God is?*

The Anglican church teaches that simplicity of arrangements is best—with regard to caskets, flowers and other remembrances. We may feel that to be ostentatious says something wonderful about us or about the love that was felt for us—but the Church seeks to give the message that all are equal before God—all redeemed sinners. That is the reason for the use of a funeral pall—the white cloth draped over each coffin; be it a plain pine box or the most expensive casket.

3) *What will happen to my body?*

Traditional burial in a casket is still the most popular option by a slim margin in our community. The liturgy may be a full funeral with the remains present or a simple memorial service after the remains have been buried. Cremation is also an approved option. A funeral may be held with the remains present and then later those remains cremated. Or cremation may take place first and the ashes may be present at a funeral service. The ashes may also be committed to the ground first by the priest and then a memorial service held in the church. The recent fashion for reserving the ashes at home or at the funeral home is discouraged. This does not help in finding closure to the family's grief. For that reason, a quick committal after cremation is encouraged. When ashes are to be scattered, it is important to be sure you are not contravening any government regulations forbidding that scattering! The church also looks favourably on donating one's body to science as a valid Christian witness of concern for humanity. In such cases, the priest can be invited to pray over the remains before they are removed from the place of death and then a memorial service can be held at a later date.

4) *What should be included in my funeral liturgy?*

The Anglican church insists that all persons are given the same basic funeral rite—whether they are a homeless person or the prime minister of the country. You will need to decide whether the rite from the Book of Common Prayer or the Book of Alternative Services is more suitable to you. Anglicans are encouraged to consider a celebration of the Eucharist for their funeral rite. The sacrament gives comfort, strength and courage to the family. It also witnesses to our belief in the continuity of life as the communion of saints shares at God’s table in heaven while we share at the table on earth. Consider also that elaborate eulogies are not part of the Anglican tradition. Rather, time is spent during the worship reflecting on the marks of a Christian life in the person who has died and on the ultimate joy of the resurrection. Appropriate remarks by a family member may be included, but you want to think carefully about who that might be and what sorts of reflections you might wish them to offer. The Anglican church also teaches that only the church’s own burial rites are to be used in the church. If you desire the rites of a fraternal organization or veteran’s group for your funeral, you might want to talk with your parish priest about that in the planning stages. It is recommended that such rites take place prior to the church’s service. There are many other things you might want to consider in the planning of your funeral liturgy. The best advice I can give is to involve your pastor early in that process.

This is a time of great change and flux in funeral customs in Canadian society. The more you know about where our Church stands on issues around death and burial—the more equipped you will be in your planning. Remember, what you know about funerals and burials may be able to ease the grief of someone in your family, a friend or neighbour. What you believe about our resurrection and eternal life in Christ certainly can help them. We shine a great light into the darkness of our society’s response to death when we can say with St. Paul: “Death has been swallowed up in victory. Where O death, is your victory? Where O death, is your sting? Thanks be to God who gives us the victory through our Lord Jesus Christ.” 🌱

Final Arrangements

In this chapter...

- A Letter Regarding My Final Arrangements
- My Funeral Liturgy
- Information for My Family and Friends

A Letter Regarding My Final Arrangements

To: Whoever Takes the Responsibility for My Final Arrangements

I have given thought to my personal wishes about my final arrangements with the hope that by making these wishes known, it will minimize the emotional strain on my survivors.

While I feel my loved ones would appreciate knowing my wishes to help them make decisions, I do not want to impose anything on them. Therefore, unless I have made special mention, I encourage them to ensure my funeral and other arrangements are done in a way that is meaningful to them.

Although these wishes may not be legally binding, I trust they will help my survivors avoid confusion, extra expense, or at the least any self-reproach, that might arise because of doubts, omissions, or commissions.

I also have assembled much of the financial and other information that will be needed at the time of my death. I hope this will lighten the task at this emotional and difficult time.

Thank you to all on whom the responsibility of making these arrangements has fallen.

Signature _____

Date _____

Your name _____

Your address _____

_____ PC _____

Chapter 8: Final Arrangements

The Funeral Liturgy

“The liturgy for the dead is an Easter liturgy. It finds all its meaning in the resurrection. Because Jesus was raised from the dead, we too, shall be raised. The Liturgy, therefore, is characterized by joy, in the certainty that neither death, nor life, nor angels, nor principalities, nor things present, nor things to come, nor powers, nor height, nor depth, nor anything else in creation, will be able to separate us from the love of God in Christ Jesus our Lord.

This joy, however does not make human grief unchristian. The very love we have for each other in Christ brings deep sorrow when we are parted by death. Jesus himself wept at the grave of his friend. So, while we rejoice that one we love has entered into the nearer presence of our Lord, we sorrow in sympathy with those who mourn.”
—*The Book of Common Prayer, Episcopal Church*

“The family and friends of the deceased person are encouraged to consult as early as possible with the priest or other person responsible in their parish, as well as with the undertaker who may be involved, to plan the various events which will constitute the funeral.”

– *The Book of Alternative Services, Page 568*

My wishes on My Funeral Liturgy

It is strongly recommended that you complete the following in consultation with your parish priest, referring to the information about funerals found on pages 21 to 28. Once completed, you should provide a copy of these instructions for your family and for the church.

Circumstances permitting, I wish my Burial Service to take place at:

City _____

Province _____ Postal Code _____

I wish my service to reflect my life, faith, and love.

The service shall be “The Funeral Liturgy” from:

The Book of Alternative Services. Form I Form II

or

The Book of Common Prayer. The Order for the Burial of the Dead.

I request the Funeral Liturgy only to be read

I request the Funeral Liturgy and Celebration of Eucharist be done

I request a Graveside Committal: YES NO

If possible, I would like to have the following Psalm(s) and Lessons:

For suggestions, see *The Book of Alternative Services*, pages 604-605.



Hymns

I would especially like the following hymns:

- 1. _____
- 2. _____
- 3. _____
- 4. _____

Suggested Pallbearers

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____

Memorials

In lieu of flowers, I prefer donations to be made to:

- 1. _____
- 2. _____
- 3. _____

Disposition of My Remains

I prefer to be: Buried

Cremated (before the funeral after the funeral)

Disposal of Ashes: _____

Location of cemetery lot deed, crypt deed, columbarium contract:

Memorials:

You may prefer to make a more lasting memorial by directing donations to a charity of choice in lieu of flowers. Most parishes welcome such donations. Memorial gifts may also be made to the Diocesan Leap For Faith Endowment Fund or the Growth For Ministry Fund. Indicate where you would like to have such contributions directed.

Disposal of Ashes

Name a favourite place where you may wish your ashes spread. The location may or may not be permissible under provincial law but it is always helpful for your executors to know your wishes.



Chapter 8: Final Arrangements

I have made arrangements to have certain parts or all of my body donated to:

Repatriation: If I die outside Canada, repatriate my remains:

- YES NO at my family's discretion

Funeral Home

Preferred Funeral Home: _____

- I have made arrangements I have pre-paid for my funeral

Casket: Least expensive Mid-range Elaborate Rental

URN specifications: _____

Viewing

I wish to have visitation at the Funeral Home/Church prior to my funeral service.

- YES NO

I wish to have my casket open at the Funeral Home/Church prior to funeral service.

- YES NO (open for family members only)

My jewellery should be: left on removed

Glasses: left on removed

Burial Dress: _____

Monument

- Stone Plaque

Inscription: _____

Other information for my survivors: _____

Signature _____

Date _____



For My Family and Friends

Final Directions and Instructions upon the Death of:

Full Name:

Address: _____

_____ Postal Code _____

Birth Date: _____

Place of Birth: _____

Baptism Date: _____

Spouse/Partner's Name : _____

Address: _____

Birth Date: _____

Place of Birth: _____

Date of death (if applicable): _____

My Church Affiliation: _____

Name and Address of Home Church:

_____ Postal Code _____

Parents

Father's Full Name: _____

Birth Date/Place: _____

Living? YES NO

Mother's Full Name: _____

Birth Date/Place: _____

Living? YES NO

File this information in a secure place, but also one where it will be found easily upon your death. It is suggested that you also file this with your lawyer, and notify your heirs that the form has been completed, for their information.



Chapter 8: Final Arrangements

Contact Information for Family

Names, addresses, and phone numbers of living parents, brothers and sisters:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Names, addresses, and phone numbers of living children:

1. _____
2. _____
3. _____
4. _____
5. _____

Addresses

We recommend keeping an up-to-date address and telephone book.

This can be a big help in notifying others in times of emergency.

Location of Address Book _____

Names, addresses, and phone numbers of other persons to notify upon my death:

1. _____
2. _____
3. _____
4. _____
5. _____

Emergency Care

The following nearby person(s) has agreed to temporarily care for:

My Family: _____

Phone: _____

My Pets: _____

Phone: _____



Employer (Name & Address):

_____ Postal Code _____

Social Insurance Number: _____

Provincial Health Card Number: _____

Canadian Forces Service:

NO YES (Entitled to Veterans' Benefits: YES NO)

Service Branch Contact: _____

Phone: _____

Lawyer's name and address:

Last Will Executed on: _____ (date)

Will is located at _____

Executor(s) (Names and Addresses):

1. _____

2. _____

Powers of Attorney for Property & for Personal Care (Name/address):

1. _____

2. _____

**Bank Accounts/Savings Institution Accounts/
Other Income-Producing Accounts:**

Name of Institution	Type	Account Number
---------------------	------	----------------

1. _____

2. _____

3. _____

4. _____



Chapter 8: Final Arrangements

Joint Accounts:

Name of Institution	Type	Account Number
1. _____		
2. _____		
3. _____		
4. _____		

Safe Deposit Box Number & Location: _____

Location of Safe Deposit Box Key: _____

Other Key Holders: _____

Key Advisors (Names/Address or phone)

Clergy: _____

Accountant: _____

Financial/Investment/Estate Advisor: _____

Insurance broker: _____

Life Insurance

Life Insurance Co.	Amount	Certificate #	Beneficiary
1. _____			
2. _____			
3. _____			

RRSP's, RRIF's, Pensions

Company	Account #	Beneficiary
1. _____		
2. _____		
3. _____		



Credit and Charge Accounts

Company	Account #
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Organizations and Affiliations

Organizations/ Associations/Societies/Unions/Lodges/Professional Associations, etc.
(include office or position, past/present and check if organization is to be notified).

Organization	Notify: Yes / No
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Personal Effects

Below is a list of personal effects (e.g. clothes, jewellery, paintings, etc.) and my wishes on how I would like them distributed, unless otherwise specified in my Will.
(Note: This list expresses my preferences, but is not a Will and has no legal standing.)

An additional page of Personal Effects is attached: YES NO

Chapter 8: Final Arrangements

Important Papers

To help avoid undue frustration in finding items needed in establishing rights to insurance, pensions, ownership, relationship, etc., note the location of these and any other important documents.

Important Papers

The following documents can be found at the locations indicated below:

H=Home (location described)

O=Office (location described)

D=Safe Deposit Box (bank location)

P=other person or place (name)

L=Lawyer (name)

_____ Marriage License

_____ Survivor's Pension Information

_____ Citizenship papers /passport

_____ Stocks

_____ Bill of Sale for car/title, reg.

_____ Will

_____ Bank books /Interac Card(s)

_____ Insurance Policies

_____ Deeds to property

_____ Representation Agreement

_____ Income tax returns

_____ Power of Attorney

_____ Receipts/cancelled cheques

_____ Automobile Information

_____ Military Discharge Papers

_____ passwords for computer and/or
banking cards

_____ Legal proof of age/birth certificate

Miscellaneous

Thoughts, Notes, Reflections or Instructions

Charitable Giving

In this chapter...

- Charitable Tax Credit
- Gifts for the Present
- Gifts for the Future

The impulse to help others is an enduring human quality. In the Bible there are many references to giving as an offering to God, giving thanks for the generous blessings in our lives.

Blessed are you, O Lord, the God of our ancestor Israel, forever and ever. Yours, O Lord, are the greatness, the power, the glory, the victory, and the majesty; for all that is in the heavens and on the earth is yours; yours is the kingdom, O Lord, and you are exalted as head above all. For all things come from you, and of your own have we given you.

~ 1 Chronicles 29.10-11. 14

By sharing your spiritual, personal and financial gifts with your church, you share your faith in Jesus Christ with others throughout the world. As you consider your financial and estate plans, pay special attention to your gift of faith. Think about ways in which you can continue to share your faith with others through the ministries of the church.

Your Christian values have put your life in perspective. You've lived as a steward. You've used your time, talents, and financial resources to help God bring about a more perfect world, to make better—and holier—the people and institutions that have been a part of your life.

This same perspective should influence the financial and estate plans that will serve you through the rest of your life. Indeed, you can look at your planning as a spiritual act—as a time to consider how your assets should be used both now and after your death in ways that will reflect your life of faith in God.

Gifts may be arranged to provide an immediate gift that goes to work now to support your parish, diocese or national church ministry. Or a gift may be created to be available sometime in the future. There are many ways to arrange a gift to meet your needs and those of your family, yet speak of your faith and values. Each method offers unique tax advantages. Therefore, you are encouraged to consult with a trusted advisor before finalizing your plans. The Diocesan Planned Giving Consultant, working with your advisor, can help you decide which strategy is best for you and your family.

Charitable Tax Credit

Individuals making charitable gifts receive a combined federal and provincial tax credit. The amount of the credit directly reduces the amount of income tax you owe. Currently, cumulative gifts during the year up to \$200 earn a credit at the lowest marginal tax rate. Gifts over \$200 receive a tax credit at the highest marginal tax rate regardless of the donor's tax bracket. At the time of printing, the combined tax credit is approximately 46%. For those who also pay the provincial surtax, the credit in NS and PEI is approximately 48%.

You may claim gifts up to 75% of your net income. For gifts of capital property this limit is increased by 25% of any capital gain triggered by the gift. Credits that you don't use in one year may be carried forward for up to five additional years. For gifts in the year of death, the donation limit is 100% of the net income with any remaining credits carried back to the previous year's return.

Please note:

The information and examples presented here are based on income tax rates and laws current at the time of printing (2008). However, these will change over time. You are strongly urged to consult with professional advisors to ensure your gift plan is appropriate for your circumstances.

Gifts for the Present

Cash

An outright gift of cash may be used now to support the church's ministry, or to establish an endowed (permanent) fund for a specific purpose subject to parish or diocesan policies.

Example

Bea Johnston writes a cheque for \$1000 to her parish, but the net cost of the gift to her is only \$540, because her donation receipt for \$1000 directly reduces her income taxes for that year by \$460.

Property

You may donate real and other property subject to parish or diocesan gift acceptance policies. According to current tax law, one-half of any gain in value from when you originally acquired the property must be included in your taxable income. Your tax receipt will be based on an authorized appraisal of the current value of the property.

Publicly Traded Securities

Securities, such as stocks and mutual funds listed on approved exchanges, may be used to fund a gift. If securities are donated directly to the church, rather than being sold and the cash donated, none of the capital gain is included in your taxable income. As the tax receipt you receive is based on the market value of the donated security, this type of gift can be better than cash from a tax perspective.

The Diocesan Office will be happy to facilitate your gift to any level of the church's ministry.

Example

Henry Barteaux donates listed stock valued at \$50,000 that he purchased years ago for \$10,000. His capital gain is \$40,000, but because he directly donated the stock, none of the gain is taxable. However, his contribution results in a tax credit of \$23,000, making his cost to make the gift only \$27,000.

Suppose Henry had sold the stock instead of contributing it. The taxable portion of the gain would have been \$20,000 (50% x \$40,000), and the income tax on this gain would have been \$9,200 (46% x \$20,000). His after-tax sales proceeds would have been \$40,800.

Gift Plus Annuity

A gift annuity is an arrangement in which you make a contribution to the church and you receive guaranteed payments for life from an annuity purchased for you from an insurance company. The amount of these payments depends on your age and the size of your contribution, but they likely will be significantly higher than you are receiving from your present fixed income investments, and the annuity arrangement is guaranteed. It will continue as long as you live, no matter what happens to the economy or interest rates. If you are married, you may choose a joint-and-survivorship annuity which continues as long as either spouse lives.

Your gift annuity brings you a special bonus at tax time: all, or a sizeable portion, of the yearly payments you receive from the insurance company will be tax-free. When you set up the gift annuity, you also will receive a one-time donation receipt that will result in a tax credit.

Examples

Wendell Conrad, age 74, contributes \$25,000 and receives an annuity of \$1,972 (7.8%) per year for life, of which 84% is paid out tax-free. He is also entitled to an immediate donation receipt of \$7,500, because this is the portion of the \$25,000 that the church is able to use right away.

Clayton and Maise Bollivar, both age 85, contribute \$50,000 and receive a lifetime annuity of approximately \$4,250 (8.5%) per year. Because of their age and the amount they contributed, 100% of the annuity is paid out tax-free. They also are entitled to an immediate donation receipt for \$15,000, which is the amount that is available to the church immediately.

Gifts for the Future

Bequests

Your Will is the cornerstone of your estate plan. Through your Will you are able to direct the distribution of your estate, name the person(s) to act as your legal representative after your death, and ensure that those people and causes that have been important to you during your life are supported in the future. If you die without a Will, your estate will be distributed according to provincial legislation and not according to your wishes.

One of the most loving and enduring ways of sharing is by creating a bequest through your Will. Instead of a fixed dollar amount, you may want to consider a gift

Understanding the terms

bequest—A gift you make through your Will to individuals or to organizations

charitable tax credit—A receipt is given for donations to registered charities that produces a tax credit which directly reduces the amount of income tax owed by the donor.

deemed disposition—According to current tax law, you are deemed to have disposed of all of your assets at fair market value at the moment before your death.

capital gain—When you dispose of an asset whose fair market value is now more than what you paid for it, the amount it has increased is a “capital gain.”

Chapter 9: Charitable Giving

of a percentage of the residue (the amount leftover after specific bequests and expenses are paid) of your estate. Please see page 43 for more information.

Life Insurance

When you purchase a life insurance policy, and make the church both the beneficiary and owner, you will receive a tax receipt for the annual premiums paid. In this way you are able to make a substantial future gift at a considerably reduced after-tax cost.

Existing policies may be assigned to the church and you will receive a tax receipt for the *fair market value* of the policy as determined by an actuary (less any policy loans that are outstanding). This credit could be substantially greater than any income tax that may be triggered.

The church may be named as beneficiary of a policy without transfer of ownership. In this case an immediate tax receipt is not issued, but your estate will receive a tax receipt when the policy is paid upon your death. The receipt will produce a tax credit for your final tax return.

A life insurance gift that names the church as beneficiary is processed outside of your estate and therefore, is not subject to probate fees or challenges to your Will. Please see page 4 for more information.

Charitable Remainder Trust

A Charitable Remainder Trust is a deferred giving arrangement where assets are transferred to a legal trust. The trust document directs that the annual income generated by the trust is to be paid to you during your lifetime, and upon death the church will receive the principal (remainder) of the trust. Using an orchard analogy, you have given away the tree but are keeping the fruit!

If the terms of the trust don't allow you to access any part of the principal, an immediate tax receipt is issued for the calculated present value of the future gift (i.e. the remainder interest of the trust).

A similar trust, called a Testamentary Trust, may be set up under your Will, perhaps to benefit your spouse during their lifetime, with the remainder ultimately paid to the church.

Example

At age 70 Martin Westhaver, a widower, wants to establish an endowed fund for the PWRDF in memory of his late wife. He cannot afford to give up any of his investment income. So he transfers assets worth \$250,000 to a Charitable Remainder Trust. His net income from this trust will be approximately \$15,000 per year for his lifetime. When he funds the trust, he receives a donation receipt for \$120,675 (representing the "present value" of the "future remainder interest" in the trust.) Assuming a 46% tax credit, this will translate into tax savings of \$55,511. After his death, the remaining trust principal will be used to create the permanent endowment.

Residual Interest

You may transfer ownership of an asset such as your house to the church and retain the right to use the property during your lifetime. A receipt for the "calculated present value" of the gift is provided at the time of ownership transfer, and upon your death possession of the property is given to the church. 🌕

Bequests

In this chapter...

- Giving Through your Will
- Power to Vary Clause
- Tax Implications of a Charitable Bequest

One thing that sets us, as human beings, apart from our fellow creatures is the way we consciously control and shape the world around us. We don't wait for fruit to fall from trees before we eat it. We plant the trees, harvest the fruit, improve the stock to develop better fruit, and develop more productive orchards.

Communities, like orchards, must be nurtured. We have to plant seeds and wait for results. We have to prune and shape. And we naturally want to share with others the fruits of our labours. We want to help family and friends, but often we also want to give part of what we have for the benefit of people we have never met, and those less fortunate than ourselves.

The government of Canada encourages charitable giving with numerous tax incentives. For more information, we invite you to contact the diocesan gift planning consultant at the address on page 46 of this booklet. We also encourage you to consult your own financial and legal advisor for a full discussion of the tax implications of charitable gifts as they apply to your situation.

A farmer who needs all the apples from his orchard during his lifetime may nevertheless promise the trees—and their fruit—to the Church or charity after his death. He might make a testamentary gift naming the Church in his Will to receive either all or a portion of his orchard.

Many people who would like to make a substantial gift to the Church cannot afford to part with assets during their lifetimes. Drawing up a Will and directing a portion of one's estate to the Church is the most common type of future gift, but it is not the only way to give. Life insurance or retirement assets also can provide a future gift. A common characteristic of such gifts is that they are revocable: these future gift provisions can be changed at any time, should your circumstances require it.

Giving Through your Will

Making a Will need not be complicated, and it should be done with proper legal assistance. Providing for a gift for the Church in your Will whether it is for a parish, diocesan or national ministry can easily be accomplished.



Chapter 10: Bequests

Here are some examples of various forms of bequests, with appropriate wording:

A **general bequest** designates a certain dollar amount of property, usually cash, to the Church you select:

“I give to (Full Name of parish, diocese or national ministry) the sum of \$10,000 to be used for the general purposes of (Church,) at the discretion of (the Rector, Wardens and Parish Council.)”

A **specific bequest** directs that the Church is to receive a specific piece of property: “I give to (Full Name of parish, diocese or national ministry) 500 shares of XYZ stock.”

A **residual bequest** designates for the Church all or a portion of whatever remains after all debts, taxes, expenses and other bequests have been paid: “I give to (full name of parish, diocese or national ministry) fifty percent (50 percent %) of the rest, residue and remainder of my estate.”

A **contingent bequest** takes effect only under certain conditions: “In the event that my wife does not survive me, I give to (Full Name of parish, diocese or national ministry) the sum of...”

In addition to choosing the form of a bequest, you also have choices as to the purpose for which your gift will be used. Most bequests to the Church are undesignated—supporting the general purpose of the parish, diocese, General Synod, Anglican Foundation, or The Primate’s World Relief and Development Fund. But you may choose to make a designated bequest directed to support a particular programme, project or ministry.

If you wish to designate your bequest, you should speak with your Rector or diocesan gift planning consultant to ensure the designation can be honoured.

You may choose to endow or restrict your gift to the use of the annual investment return only and you could choose to designate the investment return for a particular ministry. It also may be possible, subject to the policies of the parish or diocese, to establish a named fund—in your own name or as a memorial to a family member, friend, or colleague.

If you are planning a bequest, it is important to discuss this in advance with a representative of the Church to be sure that your wishes can be met and that your bequest provision is properly worded. Once you have completed your Will, you should provide each beneficiary Church or charity with a copy of the clause pertaining to your bequest. Your intention will be kept confidential, if you wish.

Power to Vary Clause

If your bequest is to be used for a specific ministry or purpose, it is strongly recommended that you ask your lawyer to include a Power to Vary clause. In the past well-meaning donors have designated gifts for purposes that, over time, are no longer relevant and now the gift is no longer useful. To avoid this unfortunate scenario, the Power to Vary clause will allow the Church of the day to continue to use your gift to support ministry in the event that the original purpose is no longer possible, or should the current parish cease to exist in the future.

Sample Wording

If, in the opinion of [the Parish Council; Diocesan Council; General Synod of the Anglican Church of Canada; etc...] the use of my gift for the express purpose referred to in paragraph ____ of this my Will is, for whatever reason, either impossible or impractical, I authorize and direct the [Parish; etc...] to use the gift for a purpose and in a manner which in the opinion of the [Parish; etc...] will as closely as reasonably possible and practical, achieve the purpose or a purpose similar to the purpose referred to in paragraph ____ of this my Will;

Tax Implications of a Charitable Bequest

When you make a bequest to the Church or charity, your estate is entitled to a gift receipt for the full value of the bequest. This can significantly reduce the tax payable when your final income tax return is filed. If the total tax credit exceeds 100 percent of your net income in the year of death, the excess (again, subject to the applicable limits) may be carried back to the preceding year, producing some credit for that year.

Example

In his Will, a widower leaves \$100,000 to the Church and the remainder of his estate to his two children. Assuming the net income on his final income tax return is large enough for the entire bequest to be claimed for a charitable tax credit, the bequest may result in combined federal and provincial tax savings of approximately \$46,000. If he had left the \$100,000 to his children, taxes would have consumed that part of it, leaving them with \$54,000.

You should consider giving your Personal Representative (executor) the discretion to choose the particular assets that fulfill the charitable bequest. For example, if your executor is able to select listed securities for the charitable bequest and distribute cash or other properties to your heirs, none of the gain in the securities will be taxed.

Many individuals find peace of mind and satisfaction in knowing that they have provided not only for their immediate families but also for the Church and charitable organizations that enriched their lives and those of others. 🍎

Through these gifts we go where we cannot travel;
witness where our voices cannot be heard;
speak languages never learned
and love those whom we have never seen.

C. William Nicholson

Resources

Wills, Powers of Attorney, Medical Directives (Living Wills)

Nova Scotia

Legal Information Society
5523B Young St, Halifax, NS B3K 1Z7
ph: (902) 454-2198
www.legalinfo.org

Prince Edward Island

Community Legal Information Association of PEI
PO Box 1207, 1st Floor, Sullivan Bldg,
Fitzroy St, Charlottetown, PE C1A 7M8
ph: (902) 892-0853 or 1-800-240-9798
www.cliapei.ca

Veterans Affairs Canada

ph: 1-866-522-2122
www.vac-acc.gc.ca/general/

Regional Office

Dartmouth

Alderney Gate, 40 Alderney Dr
Dartmouth, NS B2Y 2N5

VAC District Offices

Charlottetown

1st Floor, Jean Canfield Govt of Canada Bldg
191 University Ave
PO Box 1300, Charlottetown, PE C1A 4L2

Halifax

Chebucto Place, 7105 Chebucto Rd, Suite 200
PO Box 8063, Halifax, NS B3K 5L8

Sydney

308 George St, Sydney, NS B1P 1J8

Canada Pension

www1.servicecanada.gc.ca/en/isp/cpp/cpptoc.shtml
Toll-Free: 1-800-277-9914

Dalhousie University Body Donation Program

Department of Anatomy and Neurobiology
Faculty of Medicine, Dalhousie University
Sir Charles Tupper Building, Halifax, NS B3H 1X5
ph: (902) 494-6850
www.anatomy.dal.ca/donation/

Organ Donation

Nova Scotia

MSI Registration Department
ph: (902) 496-7008 or 1-800-563-8880
www.gov.ns.ca (search for "organ donation")

Prince Edward Island

Island Information Service
PO Box 2000, Charlottetown, PE C1A 7N8
ph: (902) 368-4000
e-mail: island@gov.pe.ca
www.gov.pe.ca (search for "organ donation")

Diocesan Synod Office

1340 Martello Street, Halifax, NS
B3H 2Z1
ph: (902) 420-0717
fax: (902) 425-0717
e-mail: office@nspeidiocese.ca
www.nspeidiocese.ca

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INFORMATION ON THIS PAGE
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Liturgical Resources (Funeral Liturgy)

Book of Common Prayer, Page 591
Book of Alternative Services, Page 565