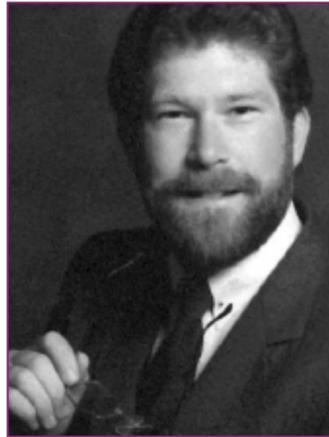


# Planning My Legacy Now

By Rev. David Fletcher



David Fletcher is rector at Christ Church, Lantz and St. George's Church, Dutch Settlement

*"... it is irresponsible to suppose that we have no investment in both our temporal and spiritual future..."*

The money is tight, you know. An 11 year-old at home, court-mandated child-support for a 20 year-old step-daughter in university, a car loan payment, a pledge to the church and a World Vision foster child, food, clothes and nothing saved for when I can no longer live in a rectory. I was upbraided by a parishioner at the annual meeting this year for making poor choices. With my current income, there is not a lot of room for choice.

But there is a lot of choice with regard to my future finances. Last fall I got a call about some unknown-to-me pension coverages (about \$35,000) that had to be redirected into an RRSP. Life insurance, a trust fund from my parents' estate that will turn over to me when I'm 55, and a decent enough pension when I'm 65; there are, indeed, choices to be made.

I have also had the experience of a bequest. My mother's estate left me

enough money that I was able to complete advanced studies (as was her intent), as well as use some "spreading around" money that certainly made a difference to my family at the time. It wasn't exactly winning the lottery, but it was an unexpected windfall that was timely when it happened. There is a difference, however, between the unexpected surprise and the certainty of a trust at an appointed time. My attitude towards each is different, and I am much more conscious of the intent of the trust than the bequest that I wasn't expecting.

There is something to be said for making some plans in your will for charitable bequests. Presently, my will disposes 20 percent of my estate to the Parish where I am serving, as well as a legacy of books and texts to the universities that I attended. These are specific, and will, I hope be timely (even in the event of my untimely death). There is enough left that will certainly look after the needs of my daughter (the axiom about "leave

your kids enough to do whatever they want and not enough to do nothing").

As I consider retirement, I am looking ahead to about 15 years of working life, the likelihood of two more moves, one more child looking at post-secondary education, and some kind of investment in housing or property. Choices will include RRSPs, annuities, and land, as well as choices relating to legacy. These are interesting choices, and obviously don't affect just me, but the choices are clearly mine. The joy in this is that while my monthly pay doesn't go as far as I'd like it to, my ability to look after future needs does. That is part of the dignity that we are given by God through creation ... it is irresponsible to suppose that we have no investment in both our temporal and spiritual future, and while I hope I'm still worth more alive than dead at present, I also hope that my life after death is not so heavenly minded that I'm of no earthly good.

# GENEROUS *Spirit*



IN THE DIOCESE OF NOVA SCOTIA & PRINCE EDWARD ISLAND SPRING 2005

## Using God's Gifts to Generate More



Allan Conrod

Allan Conrod of Halifax believes strongly that everyone has been given gifts by God and in turn these gifts should be used to benefit God's kingdom. He also knows that actions speak louder than words. So he has committed to a generous "pacesetter" cash gift over five years to the Diocese's new Leap for Faith Campaign. A pacesetter gift is a gift of \$50,000 or more given over the five year lifespan of the Campaign.

As a retired Chartered Accountant, who throughout his career and retirement has been involved with many charities, he knows how much organizations like the Church depend on individual contributions to carry out its present work and to secure a viable future.

Allan has been a member of the Anglican Church all his life, with most of the past three decades being spent at St. James at the Rotary in

Halifax. He is active in his own parish on a number of levels, including his former role as warden, and currently he serves as chairman of the finance committee. Both he and his wife Jean were in the choir for many years. He also belongs to several committees at the Diocesan level and is well-respected for his knowledge in the area of finance in particular.

While working on various projects in the Diocese over the past years, a need for a major capital campaign was realized and this May, the Leap for Faith Capital Campaign will be officially launched at Synod.

"This will be the first major campaign in over 25 years," says Allan. That was when the Anglicans in Mission campaign was introduced but over the years it has fizzled out and it was time to start fresh.

*continues on page 3*

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### GIFTS THAT KEEP GIVING

- Endowment Funds

## Campaign Reminds Us of the Need for Gift Planning Now

It has been two years since Diocesan Synod approved a campaign to raise \$1.2 million for our Diocese's share of the Anglican Church residential schools settlement fund; something all 30 Canadian dioceses have committed to support. At the same time, Bishop Hiltz challenged us to establish a new vision for ministry throughout our Diocese. The Leap For Faith campaign has been created to do just that: provide funds for the settlement fund as well as the ministry priorities of our diocesan vision.

For many months now the Campaign has been quietly gaining momentum towards its official launch. At our Synod gathering in Charlottetown

this month, delegates will learn of the exciting progress accomplished to date.

Already, committed Anglicans are catching the vision of parishes across this Diocese, fully engaged in the work of Christ's ministry. They are stepping forward with generous and sacrificial gifts supporting the campaign initiatives. Many also are providing for the long-term sustainability of these initiatives by arranging gifts in their Wills for the Leap For Faith Endowment Fund.

When you are approached for a gift to the campaign prayerfully consider God's abundance in your life and how your response can include both

your parish's ministry and the campaign initiatives through an effective gift plan.

The Diocesan Gift Planning Committee is excited about the possibilities offered by this campaign. By carefully planning both immediate and deferred gifts supporting their parishes as well as the campaign, Anglicans will strengthen the ministry of our church in communities across this Diocese.

Committee members can help you by providing helpful information on gift arrangements. At your request, the Diocesan Gift Planning Consultant will be happy to meet with you and your legal and financial advisors, to help you arrange your gift in the best way in order to accomplish your goals. Just complete the reply coupon in this newsletter or call (902) 420-0717 to get started.

#### Planned Giving:

is, in essence, gift planning. It is a ministry to help Anglicans make gifts of their assets supporting any area of our church's ministry (parish, diocese or national) in a way that makes sense to their particular situation and interest. Planned Giving compliments all parish, diocesan and national ministry projects by helping those who wish to make gifts do so in response to their Christian stewardship beliefs, and in the most tax efficient manner possible.

*"Planned Giving is people (givers) doing what they want to do with their assets and gift planners helping them do it".*

*-Robert Sharpe Sr.*

### GENEROUS *Spirit*

Generous Spirit is produced twice yearly for the clergy and parishioners of the Anglican Diocese of Nova Scotia and Prince Edward Island and distributed through the Diocesan Times. Although the information contained herein is derived from reliable and professional sources you are strongly encouraged to confer with your own legal and financial counsel in the arranging of your estate and gift plans. The Diocesan Synod and its employees and agents assume no responsibility for damages, errors or omissions related to this published material.

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# WILLS



by Michael Wood, Q.C.

## Q Must I Remember All Of My Family Members Equally In My Will?

**A:** Generally, a person is free to do whatever he/she chooses to do with his/her property. However, in Nova Scotia there are certain limitations placed on that freedom by legislation.

The Testator's Family Maintenance Act tries to ensure that adequate provision is made for the maintenance and support of your "dependants" wherever possible and if necessary. A spouse and a child, including illegitimate and adopted children, are considered "dependants". If a dependant makes an application for maintenance from a deceased person's estate under the Testator's Family Maintenance Act, the judge who hears the application, has a considerable amount of discretion in the decision, to be made. The judge will take into account a variety of factors in determining whether or not to make an

order, such as:

- whether the dependant actually needs the support;
- any other support or assistance available to the dependant;
- the dependant's financial situation;
- the deceased's reasons for not providing for the dependant in his/her will

If the judge finds that the will does not make adequate provision for a dependent, he/she can order the estate to pay whatever he/she determines to be adequate. There is no presumption that all family members must be treated equally.

There are certain strict time limitations on when a dependent can bring an application under the Testator's Family Maintenance Act, so anyone thinking of making such an application should consult with

a lawyer as soon as possible before doing so.

The Matrimonial Property Act also imposes limitations on a testator's freedom to dispose of his/her property. It states that when one spouse dies, the other spouse can apply to court for an equal division of the matrimonial property. The judge will decide what share the surviving spouse will be entitled to receive.



Michael is a partner in the Halifax law firm of Burchell Hayman Barnes. He currently serves as a member of the Diocesan Planned Giving Subcommittee.

**PLANNING TIP:** If you are planning to divide your estate among your adult children after you and your spouse die but you also want to remember your Church's ministry, consider "adopting" your Church by giving it an equal share of your estate. This will not reduce the amount each of your children will receive by as much as you might think as the tax credit generated from the Church's share of your estate may offset income taxes owing on your final return, making the gift less costly for your heirs.

## THE CHAIR'S CORNER



### Taking Time to Respond to God's Gifts

Our two feature contributors for this Spring's edition of Generous Spirit present, in many ways, quite a contrast. Allan Conrad is laity, David Fletcher is clergy; Allan is short, David is tall; Allan is somewhat quiet while David is not. David is relatively young and Allan is older in years (although he now

has quite a bounce in his step since he had a hip replacement in December). But where they are similar though, is in their response to the gifts that God has given them. Both David and Allan in their stories reveal how God's generosity has led them to be generous people.

The best way that I can sum up their stories is to quote from an article in the recent issue of *Ministry Matters* by John Robertson, our national consultant for planned giving in the Anglican Church of Canada. He writes: "we have learned that people grow spiritually when they give generously" (and I might add that Allan and David give generously now and intend to give through their estate planning). John goes on to say that "generous giving, gives a sense of happiness and fulfillment, knowing they are expressing their response to God's generosity". Thank you, Allan and David, for your stories with us. This issue of Generous Spirit highlights the Leap for Faith campaign. This ambitious

five-year campaign is an opportunity for us, as members of the Diocese, to respond to the Settlement Fund and to use our treasure to implement the Vision our Synod has put forward for us. I am personally involved in this Campaign as Co-Chair of the Capital Campaign Task Group, the Clergy Division and the "Every Member" Division. As well, I serve as a member of the Campaign Cabinet. With this involvement I know the impact that the Campaign's success will have on helping us to have healthy congregations throughout our Diocese. I have given a gift to the Campaign because I believe we are being called by God to respond and I urge you too, to consider a gift, based upon your ability to give.

David Reid, Chair, Planned Giving Sub-committee

## "Every man according as he purposeth in his heart, so let him give; not grudgingly, or of necessity: for God."

~ Corinthians II, 9:7



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Make a difference in the lives that follow.



## Using God's Gifts to Generate More

The settlement fund for the residential schools was the catalyst for this new campaign and the other four areas recognized as needing the most attention are: healthy congregations; embracing youth; Growth for Ministry Fund; and Cathedral Church of All Saints.

Prior to the Campaign's launch, Allan says that they have been approaching individuals such as members of the

clergy and the Bishop's Men asking for major contributions so that there is a solid foundation of support already when the launch takes place. The goal of the campaign is to raise \$3.4 million over five years. Allan is serving as treasurer for the campaign.

Allan says he learned early in life that "joy" stood for Jesus, Others and Yourself. "If you put these things in proper order you will have joy in life

and be able to carry out your duties as a follower of Christ," he says.

"The Lord has been very good to me, having provided me with many talents that I have been able to use to generate more. These talents should be used for the glory of God and his Church." He says that with the establishment of the Leap for Faith campaign, "we should offer our talents, financially, physically and mentally, in completing our project." He believes this will lead to a stronger Diocese that is able to fulfill the campaign's objectives. This is why Allan has already committed to a pacesetter gift; "I believe so strongly

in the objectives of the campaign."

But he also remembered his own church in his Will. While the campaign funds will support the Diocese's current objectives, he knows that it is important to consider the work of the Church at all levels, now and in the future. So he has planned a gift in his Will that will go directly to support the work of his own parish in addition to the Diocese.

Through his personal stewardship, he is reconciling and strengthening his relationship with God. He urges others to do the same.

## Seeing Your Gift Work Now

by Charles L. O'Neil, Diocesan Gift Planning Consultant

I recently had the pleasure of assisting a donor in arranging a gift annuity resulting in an immediate gift to her favourite charity. She originally planned to make a modest bequest in her will but was delighted to learn that she could see the gift take effect now without compromising her income. "I was afraid that there might not be anything left", she told me. "This way I get to see the gift support good work and the annuity payments will help to pay the bills."

For many people remembering the church's ministry through a bequest in their will is a sensible means of supporting Christian ministry in the future but what about today? Are there ways to create a gift that can be useful to the church now and make sense financially?

Thanks to recent income tax changes there are a variety of ways to establish gifts now. However, as they involve irrevocable transfers of assets you need to consult with a trusted advisor before proceeding. Some of the ways of making an immediate gift are:

### 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. Cumulative gifts over \$200 will generate a tax credit of about 46% and unused credits may be carried forward for up to five additional tax years.

### PROPERTY

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

### PUBLICLY LISTED SECURITIES

Securities such as stocks and mutual funds listed on approved exchanges may be used to fund a gift. If such instruments are donated directly to the church, rather than being sold and the cash donated, only 25% of any capital gain must be included in taxable income. As the tax receipt is based on the market value of the donated security the resulting tax credit will exceed the tax on the gain.

### GIFT PLUS ANNUITY

A gift annuity is an arrangement in which you make a contribution to the church and receive guaranteed payments for life. The amount of these payments depends on your age

and the size of your contribution, but they likely will be significantly higher than those you are receiving from your present 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 your payments will be tax-free. You also will receive a one-time donation receipt that will result in a tax credit.

### GIFT OF REGISTERED PLANS

Age 69 is a financial planning watershed for many. At this age RRSPs must be collapsed and, if taken into income, taxes will consume almost half the value. However, the plan may be converted to a RRIF or annuity with only the annual income taxed. In reviewing your retirement plans with your advisor in

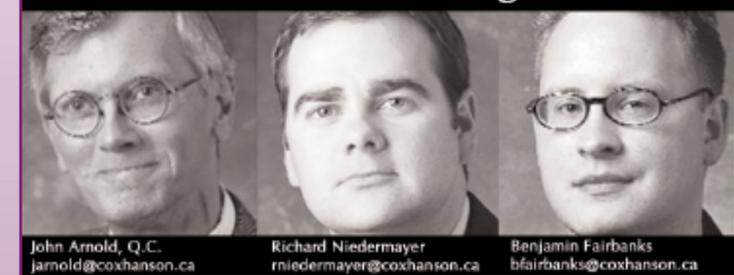


Charles L. O'Neil

preparation for the rollover you may find that you can afford to contribute a portion of your plan to charity and use the remaining funds to contribute to a RRIF or annuity. The portion withdrawn for the donation will be taxed but the tax credit from the donation receipt will offset the taxes owing.

Alternatively, as with an RRSP, you could name the church as the final beneficiary of the RRIF, again with no tax cost for the gift.

## Tax and Estate Planning Services



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