

SLATER FINANCIAL GROUP

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This year's CIBC Run for the Cure was truly inspiring! Thanks to your support, we reached our fundraising goal! Across Canada, the event raised an impressive \$15 million, showing just how powerful a united effort can be. It was an emotional day filled with energy, hope, and a sense of community, reminding us of our collective strength.

The run also reminds us of the broader impact of philanthropy, which supports the causes we believe in and helps create lasting legacies. While the tax benefits are valuable, strategic philanthropy reflects our values and the legacy we want to leave. Thoughtful giving can become a cornerstone of both financial and personal legacies. Let's look at how one of our clients, Lois, explored her options for building a legacy.

In case you missed it: [Click here](#) to watch a recording of last week's webinar on **Planning for a Lifetime of Inflation-Protected Income.**



LOIS' JOURNEY: EXPLORING STRATEGIC PHILANTHROPY

One of our clients, Lois, has been a committed donor for years, making annual contributions to charities like Canadian Feed the Children, World Wildlife Foundation, and CAMH. Recently, she began thinking about her long-term impact and how she could ensure her legacy continues beyond her lifetime. While putting together her financial plan, we estimated a \$1 million tax liability upon her passing. Building a legacy was one of her main financial goals, so we had some options for her. Rather than having her estate cut a cheque to the CRA for \$1 million, she could start donating today to offset the taxes owed. We walked her through several strategic options to help her decide on the best approach:

1. Donating Cash and Securities

Cash and securities donations are among the simplest and most common ways to give. Lois was pleased to learn that donating appreciated securities directly offers significant tax advantages. By donating in-kind, she avoids paying capital gains tax on any appreciation of the shares since purchasing them, while also receiving a tax credit based on the market value of the securities. This method is more tax-efficient than selling the securities and then donating the proceeds, as the capital gains tax can significantly reduce the value of the donation.

Donating cash or securities is a straightforward and common option for individuals who want an immediate impact with minimal administrative requirements. Although it's a step in the right direction, this method doesn't build legacies most effectively or efficiently.

2. Establishing a Private Foundation

A private foundation can be an attractive choice for those who wish to have more control over their philanthropic efforts. We discussed with Lois the benefits of establishing a private foundation, such as naming the foundation and directing funds to the specific causes she is passionate about. This option allows for a high degree of personalization and legacy building.

However, we also highlighted the legal and administrative responsibilities and costs involved. Private foundations require a substantial initial commitment—at least \$1 million in Lois's case. They also need a board of directors or trustees, investment professionals, and legal and accounting teams to handle compliance, governance, and management of the foundation's assets. While private foundations offer flexibility and control, they come with a significant time and financial commitment that may not suit everyone.

3. Donor-Advised Fund (Benefaction Foundation)

After exploring her options, Lois found that a Donor-Advised Fund (DAF) best fit her needs. DAFs are accounts within a public foundation that hold your donations, which are then invested and grow tax-free. CIBC has partnered with Benefaction Foundation, a public foundation, allowing clients to benefit from expert investment advice from their financial advisors while enjoying the peace of mind that all administrative duties are taken care of. With an initial donation requirement of \$25,000, Benefaction Foundation accounts offer a more affordable and flexible alternative to private foundations.

Lois appreciated the simplicity of this option. With flexible yearly gifting strategies, she could move securities that had appreciated significantly from her non-registered accounts to her Benefaction account. She named her account *The Lois Family Foundation* and chose to have it named as the beneficiary of her RRSP/RRIF, which further helped reduce the tax liability on her estate. With the help of her advisor, they could review which securities had appreciated the most each year and then decide which ones they would donate to her DAF. She also appointed a successor for her foundation to carry on gifting to her favourite charities after she passes away. Additionally, for those who desire more privacy, the DAF allows to make anonymous donations, providing discretion. All that's left for her to do is select which registered charities she would like to donate to!

Creating Your Legacy:

Philanthropy is a deeply personal journey, and every contribution—no matter the amount—has the power to make a difference and is something to be proud of. Whether you donate cash, establish a private foundation, or set up a Donor-Advised Fund, giving strategically ensures that your efforts have a lasting impact that aligns with your values.

As you think about the legacy you want to create, consider how your philanthropic goals fit into your overall wealth plan. Once you've chosen the right vehicle, you can integrate your charitable efforts into your broader financial and estate planning strategies.

If you're interested in exploring how strategic philanthropy can make a lasting impact, please reach out to us! We're here to help you build a legacy that reflects your values and supports the causes closest to your heart.

Reach out to us

At [Slater Financial Group](#), we're happy to speak with you or your family members, friends or colleagues trying to navigate many of these details. In addition, our clients have the benefit of tapping into the many resources available to us here at CIBC.



[416 594-8835](tel:4165948835)

mark.slater@cibc.com

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About us

Your Trusted Partner in Wealth Management: *Empowering Families, Enriching Futures*

Since 1995 we have made ourselves available to act as a sounding board for anyone who may need urgent financial advice or just a second opinion. We have been able to help many families by providing comprehensive wealth management services. As a result, our business now comes to us almost exclusively through referrals.

So, if you're approached by a friend, neighbour or family member, or if you know someone who needs a sympathetic ear, please let them know we always have time to listen, and do our best to help. By making ourselves available this way, we're striving to make people's financial lives less stressful and better, knowing that we're *"doing well by doing good."*

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Contact us

slaterfinancialgroup@cibc.com

Tel: [416 980-6960](tel:4169806960)

Toll: [1 800 263-3803](tel:18002633803)

slaterfinancialgroup.com

West Tower, The Bay Adelaide Centre

333 Bay St., Suite 2800

Toronto, ON M5H 2R2



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Mark Slater is an Investment Advisor with CIBC Wood Gundy in Toronto. The views of Mark Slater do not necessarily reflect those of CIBC World Markets Inc.

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