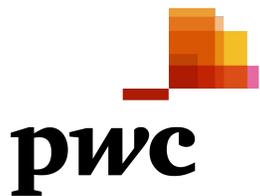


Structuring A Gift - Now You Know!

September 2020
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A Personal Reflection

Philanthropy is an evolutionary process. For me and my wife, part of that process is ensuring that our three kids understand the importance of helping others - either financially or by giving their time.

- Our legacy will be ensuring that our kids, and their kids, continue to build on the foundation that we have established.

Session Agenda - Getting the Most Out of Your Donation Dollars

1. What is the after-tax cost of a donation?
2. Benefits of Donor Advised Funds - Jewish Foundation
3. Creating a Family Legacy

Donations - There are no limits

- Donations can take many forms, there is no barriers
 - Life Insurance, securities (Public and Private), RRIFs and RRSPs, Real Estate, bequests
- The after-tax cost of giving can range between 5% and 50%. There are ways to maximize your impact
 - Personal vs Corporate gift giving
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What is the After-tax Cost of a Donation?

	Donation - Cash	Donation - Public company shares, no cost base.	Donation - Flow Through Shares
Cash Donated	\$1,000,000		
Value of shares donated		\$1,000,000	\$1,000,000
Tax cost		Note 2	Note 2
Capital gain		\$1,000,000	\$1,000,000
Tax savings (approx) - <ul style="list-style-type: none"> • CEE deduction • Investment Tax Credit • Donation Tax Credit • No tax on capital gain 	\$504,100	\$504,100 \$267,650	\$535,300 \$ 80,500 \$504,100
Tax Cost - capital gain		-	267,650
After-tax cost of donation	\$495,900	\$228,250	\$147,750
Cost as a % donated	49.59%	22.83%	14.78%

Note 1 The summary assumes that the individual is taxed at the top marginal tax rate in Ontario in 2020, and that all deductions and tax credits are also available at the top Ontario marginal tax rate.

Note 2 It is assumed that the tax cost of donated marketable securities is \$nil. As a result of the CEE deduction available to flow-through shares, the tax cost of flow through shares is reduced to \$nil.

Benefits of Donor Advised Funds

- Jewish Foundation of Greater Toronto



Lower Cost to Establish

- Fund can be created with a minimum of \$10,000
- Worry-free administration, management, investment and reporting for modest fee

Stability

- \$650 million Foundation of current and future assets
- Strong and stable growth rates of return (6% over 20 years)

Anonymity and Privacy

- Philanthropic values, not for recognition
- Preserve your privacy

Allows for Succession

- Ability to include family and next generation(s) in philanthropy
- Wide range of planned giving options, allowing for strategic philanthropic estate planning

Flexibility

- Ability to grant to charity(s) of your choice

Creating a Family Legacy

Family Participation Benefits

- Defining your family's purpose and values (short/mid/long-term) and protecting your legacy
- Pooling funds for significant contributions
- Educating the younger generation (investing time vs. financial contribution)
- Encouraging next generation family members to act as stewards of the family wealth
- Including spouses/significant others in conversations relating to charitable giving
- Teaching the next generation the importance of giving back to the Jewish community



Other Considerations

- Creating a strong communication capacity between family members
- Engaging the next generation in family decisions and meaningful conversations
- Establishing a family governance structure early-on
 - Formalizing family meetings relating to charitable giving
 - Defining decision-making policies/roles and responsibilities around philanthropy
 - Voice vs. vote as it relates to family philanthropy

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Design: UK 880557