

For Such a Time as This

Discovering the Joy of
Planned Giving



tearfund

Thank you.

I know the work of Tearfund means a great deal to you and I want to thank you personally for considering a legacy gift to Tearfund.

Although we all have different stories, many of us can see how God has worked faithfully throughout our lives. Maybe it wasn't always easy, but looking back throughout the years we can see how God has been ever faithful and how richly He blessed us; sometimes in unexpected ways!

Legacy giving is an incredible way for you to share a bit of what God has blessed you with. It not only gives you the opportunity to provide for your family and loved ones, but to support the causes you care deeply about.

For many people around the world, the effects of poverty, hunger, war or conflict are overwhelming. But, even in the most difficult of circumstances, there is always hope.

Your legacy could be the gift of life in the darkest of places; helping to provide long-term solutions to poverty and offering hope to those who need it most.

Thank you for being with us on this journey as we seek to show God's love and grace, reaching out to those in need with hope and compassion. We couldn't do what we do without faithful supporters like you.

God Bless,



A handwritten signature in purple ink that reads "Trisha Okenge".

Trisha Okenge
Executive Director & CEO



Introduction

‘The opportunities for using our financial resources to spread the gospel and strengthen the church all over the world are greater than they’ve ever been. As God raised Esther for just such a time as hers, I’m convinced he’s raised us up, with all our wealth, to help fulfill the great commission. The question is, what are we doing with that money? Our job is to make sure it gets to His intended recipients.’

Randy Alcorn - Money, Possessions and Eternity

The Great Wealth transfer has begun! Never before in history has there been such a vast amount of wealth being passed onto the next generation as there is in the 21st century.

In Canada, \$1 trillion is estimated to be transferred from one generation to the next in the next decade alone! (Jason Heath, Financial Post, April 8, 2021)

As believers, we are required to be set apart from the things of this world, and that includes the choices we make concerning our wealth.

Scripture provides us with three truths that remind us to be;

- **Generous** (Proverbs 22:9; 1 Timothy 6: 17-19)
- **Wise** (Matthew 25:14-30)
- **Prepared** (Proverbs 13:22; 1 Timothy 5:8; Matthew 6:19-21)

All three of these truths come together in what is called Planned Giving. Planned Giving allows you to express your love and values to your loved ones while leaving a legacy that is pleasing to God.

Tearfund Canada has several tax-wise options that meet your financial priorities and legacy aspirations. Your gift will ensure families living in some of the hardest places on earth can live free from poverty while providing you with long-term tax, financial and estate plans.

‘But as you excel in everything—in faith, in speech, in knowledge, in all earnestness, and in our love for you—see that you excel in this act of grace also... So now finish doing it as well, so that your readiness in desiring it may be matched by your completing it out of what you have.’

2 Corinthians 8:7, 11

What options are available to you?

There is no one-size-fits-all approach to this kind of planning. Depending on the type of financial investments you may have, there are several tailored ways to ensure that your gift's impact endures for generations to come.

Wills and bequests – Wills are simple to create and do not need to be expensive. You may choose to leave a portion of your property as a donation to Tearfund Canada in your will. Often this will lead to reduced tax burdens for your family.

**See Appendix A for a checklist and clauses that may be useful!*

Stocks & Securities – Making a contribution to Tearfund Canada with your stocks can be of great benefit to you. There are no taxes on capital gains when you directly transfer ownership to a charity. All gifts made through a stock, mutual fund, bond, or shares publicly traded on a CRA recognized stock exchange are eligible for a charitable deduction tax receipt.

Donor Advised Funds – DAF's are pooled donations from your assets and other family members that enable you to release portioned amounts to various causes. It performs like a small family foundation without all of the legal and government controls.

Gift annuities – Gift Annuity agreements provide you with a life-long stream of annual tax-free income in exchange for contributing a sizable amount to Tearfund Canada, either through cash, securities or personal property.

Your contribution is invested, and then, according to your Annuity Agreement, you would receive a monthly, quarterly or annual stream of income from the fund for a lifetime. Gift Annuities are a great vehicle to help balance your charitable giving priorities with your financial goals.

Life insurance – The gift of life insurance is a cost-effective way to support Tearfund Canada’s long-term goals. A qualified financial advisor can help you create, transfer or designate a beneficiary for a life insurance policy, allowing you to be eligible for several tax savings

‘I have been donating stocks to Tearfund and other charities for many years. This is an exceptionally tax-efficient way to donate because, in addition to the regular tax credit I get on the current value of the stock, capital gains on the donated stock are not taxed. And there are no restrictions on replacing the donated shares at the current price to keep the same investment mix without the capital gains tax liability. Sounds complicated? Not really! All I have to do is fill out a simple form provided by Tearfund and let them and my brokerage company figure it out.’

Maher, 70

Most often, it is a combination of a few of these tools that make up the best plan for any individual or couple. **With that in mind, let us introduce you to *George and Helen*, people just like you...**



George and Helen

People Just Like You

George and Helen are a typical retired couple in Canada. George has just turned 77, and has been retired for 9 years after 39 years of working as a plant foreman at the Honda Plant. Helen is 79, and spent most of her life raising their



four children and helping with their nine grandchildren. They just sold their modest home, which they had built in the 1970s shortly after they were married, and moved into a seniors living condo to allow for more time for travel, family and volunteering.

Recently, they celebrated their 50th wedding anniversary with a large family reunion at a summer resort. While there, they struck up a conversation about their plans for their inheritance and how it should be divided. All of their four children agreed that they have been well blessed in their adult life, so much of the discussion was centred around George and Helen's desire to bless the work of God's kingdom.

After the reunion, they met several times with their financial advisor, as well as the Planned Giving representative of Tearfund Canada, to discuss their goals, needs, and wants. The outcome of these meetings resulted in a clear path where they were to split their assets 50/50 between their children and two important ministries to them, their church and Tearfund Canada.

They quickly discovered that they could give far more now, over time and in perpetuity than they ever thought possible. Here is what they discovered.

NET WORTH

Raising a family on a modest single income and enjoying life along the way, George and Helen never thought they would be millionaires, but so they were:

| | |
|--------------------------|------------------|
| Value of their Condo | \$425,000 |
| GIC (from sale of house) | \$250,000 |
| RRIFs | \$225,000 |
| Honda stock | \$155,000 |

They also have four different Life Insurance policies that are paid up with a cash value of \$120,000 and a death benefit of \$400,000.



George and Helen are fictional and are representative of an average 'baby-boomer' in Canada

First Things First

The Will

Biblically, we are instructed to look after our dependents,

‘I will not be a burden to you... for children are not obligated to save up for their parents, but parents for their children.’

2 Corinthians 12:14

‘But if anyone does not provide for his relatives, and especially for members of his household, he has denied the faith and is worse than an unbeliever.’

1 Timothy 5:8

It is both sensible and scriptural to make a will. This provision for your family needs prayerful consideration while a person is in good health and is capable of exercising this responsibility with a clear mind and a heart yielded in God’s direction.

We need to heed the instruction given by the prophet Isaiah to King Hezekiah, saying, “set your house in order, for you shall die and not live” 2 Kings 20:1

Although we do not receive such a warning as to the exact time of our passing, it goes without saying that physical death is a certainty and one of the ways we can prove ourselves faithful stewards is to prepare a will.

Even apart from the scriptural injunction, the distribution of your assets should reflect your wishes based on your own values and life priorities, not those of the government.

When you die without a will, the provincial statutes provide for the division of your estate according to a fixed pattern.

George and Helen had a will that they had prepared with a lawyer when their children were young but had not updated it since. They were encouraged to review and update their will to reflect their current position, items like:

- Naming only one primary executor who is younger than them (often one of the children). George and Helen selected their middle son as he is an accountant and lives nearby.
- Adding a child called ‘charity’ and then dividing their estate into equal shares amongst the ‘five children’.
- Or, setting a percentage to charity (often a tithe, 10%) before the division of assets.
- Assuring grandchildren are represented.

“As my wife and I are planning our future, we have set aside legacy funds for our children. But we have also included that extra child, which is called charity. And the organization that we’ve decided to set aside money to is Tearfund.”

Wayne, 70

RRIF and a Child Called 'Charity'

George and Helen made some simple changes to their beneficiaries on their RRIF. They were aware of the spousal rollover provision, which transfers the value of the deceased spouse's RRIF over to the other spouse's RRIF, tax-free. They had named their children as beneficiaries upon second death, but were shocked when they realized that the CRA would get their portion first, as the RRIF becomes taxable income to the children. The children would only see about 70% of the RRIF value.

To offset this tax burden, George and Helen added Tearfund Canada as the 'fifth child' and divided the RRIF equally amongst all 'five children.'

The result was amazing! The children still received the majority of their portion, while Tearfund Canada received a full one-fifth of the value of the RRIF.

RRIF AND A CHILD CALLED "CHARITY"

Leaving a \$100,000 RRIF without a Charity Child



\$18,000



\$18,000



\$18,000



\$18,000



\$28,000

Leaving a \$100,000 RRIF with a Charity Child



\$18,000



\$18,000



\$18,000



\$18,000

tearfund

\$20,000



\$8,000

What To Do About The Honda Stock?

George had accumulated hundreds of units of Honda stock through his stock purchase options that he had participated in over his years of employment. He had saved them for a ‘rainy’ day, and through the blessing of God, that ‘rainy’ day had never come. Upon hearing that their church was planning an expansion, he had planned to cash out his Honda stock and give the cash to the church building fund. After another meeting discussing their plans, he realized that the best approach to these funds was to transfer the stock ‘in kind’ and set up a Donor Advised Fund, where he and Helen can determine the amount as well as the timing of distributions for years to come. The tax advantages to gifting the stocks ‘in kind’ were significant, and the process was simple.

| | Sell Stock Give Cash | | Gift Stock Directly |
|-----------------------------------|---------------------------------|--------------------------|--------------------------------|
| Current Value | \$155,000 | | \$155,000 |
| Accrued Cost Base | \$75,000 | | \$75,000 |
| Capital Gain | \$80,000 | | \$80,000 |
| Taxable Capital Gain (50%) | \$40,000 | <i>difference</i> | \$0 |
| Net Tax Payable @ 40% | \$16,000 | <i>difference</i> | \$0 |
| Charity Receives | \$155,000 | | \$155,000 |
| You Receive: | | | |
| Tax Credit @ 30% | \$49,500 | | \$49,500 |
| Net Tax Payable | \$16,000 | <i>difference</i> | \$0 |
| Net Tax Credit | \$33,500 | | \$49,500 |

Difference to George and Helen – \$16,000!

Donor-Advised Fund

Speaking of the Donor Advised Fund, George and Helen were most excited about this idea, because it allows for full family participation, invests the principle, and has very flexible distribution limits. In essence, they created a family foundation without all the costs and limits of a Foundation.

George and Helen started with their 'in kind' stock gift of \$155,000, then each of their four children added \$5,000 each and plan to add to it each year.

Because the church expansion will take 3 years to complete, George and Helen set up a yearly distribution of \$50,000 for the next three years to their church. Beginning in year four, Tearfund Canada would begin receiving \$25,000, with additional charities considered based on principle and family decisions.

Example:

| Year | Contribution | Distribution | Interest (5%) | Balance |
|------|--------------|--------------|---------------|-----------|
| 1 | \$175,000 | \$50,000 | \$7,000 | \$132,000 |
| 2 | \$25,000 | \$50,000 | \$6,000 | \$113,000 |
| 3 | \$25,000 | \$50,000 | \$5,000 | \$93,000 |
| 4 | \$25,000 | \$25,000 | \$5,000 | \$98,000 |
| 5 | \$25,000 | \$25,000 | \$5,000 | \$103,000 |
| 6 | \$25,000 | \$40,000 | \$4,500 | \$92,500 |

The Gift That Gives Back

Gift Annuities

Moving into their Senior Living Condo was a good decision for George and Helen, but it also meant increased condo and service fees. So when they heard that they could turn the net value of the sale of their home into a tax-free monthly income while supporting Tearfund and their church upon their death, they were very pleased.

Increasing cash flow meant that they could travel more often, generously support their church and 'spoil' their grandchildren.

They decided to give the majority of their GIC which was providing a **taxable** interest rate of 2.5%, and turn it into a Charitable Gift Annuity. They were so pleased that the guaranteed monthly income for life covered more than 95% of their condo and service fees.

| Owner | Amount | Rate | Monthly Income |
|--------|-----------|------|----------------|
| George | \$50,000 | 6.4% | \$265 |
| Helen | \$50,000 | 6.4% | \$265 |
| Joint | \$100,000 | 5.2% | \$430 |
| Total: | | | \$960 |

“I have now purchased 3 Gift Annuities through Link Charity. The tax free monthly income pays for half of my care facilities fees, and when I pass to Glory, I know that I have done my part to increase God’s Kingdom.”

Gord, 88

Last But Not Least

Life Insurance

As each of their children were born they purchased a \$50,000 20-year pay whole life insurance policy naming each child as the beneficiary should anything happen to the both of them while the children were young.

These policies were never cancelled and now, more than 50 years later, they have grown in value, with a combined cash value of \$120,000 and an increased death benefit of \$100,000 each.

With the help of their financial advisor, they have decided to cash out three of the four policies, with a total cash value of \$90,000 and purchase fully paid life insurance policies for each of their nine grandchildren.

This leaves one policy to be donated to Link Charity, by changing ownership and beneficiary to Link Charity. When the last of George and Helen passes, the death benefit in its entirety will be given to Link Charity and added to their Donor Advised Fund, where their children will continue to administer its distribution.

‘I began my giving journey 75 years ago, when I was 5 years old by giving 25 cents each time a missionary came to our church. Now, for the past 41 years I have been a monthly supporter of Tearfund. In 2010, under the direction of my financial advisor, I purchased a whole life insurance policy, naming Tearfund as the owner and irrevocable beneficiary. I get a tax receipt for the premiums paid and tearfund will receive in excess of \$100,000 when I graduate to glory.’

Lucille, 79

So What Was Achieved?

Summary

At the outset, George and Helen’s wishes, in consultation with their children, was to split their assets 50/50 between their children and their favourite charities (their church and Tearfund Canada).

Approximate assets upon last to die

| | Value | Family | Charity |
|-----------------------|------------------|------------------|------------------|
| Will | \$600,000 | \$480,000 | \$120,000 |
| RRIF | \$50,000 | \$40,000 | \$10,000 |
| Life Insurance | \$120,000 | \$90,000 | \$100,000 |
| Gift Annuity | \$200,000 | \$0 | \$200,000 |
| | | | |
| Sub Total | \$970,000 | \$610,000 | \$430,000 |

Current assets gifted

| | Value | Family | Charity |
|--------------------|--------------------|------------------|------------------|
| Honda Stock | \$155,000 | \$0 | \$120,000 |
| | | | |
| TOTAL | \$1,125,000 | \$610,000 | \$585,000 |

The Last Word

We used the fictional story of George and Helen to represent all of the various options that are available in Planned Giving. We do not anticipate any individual or couple to use all of the tools the way we portrayed for George and Helen.

Your situation is unique to you, and we want to help you achieve your philanthropic goals both now and as a legacy. It may seem overwhelming and complicated, but we will walk you through each step and direct you to the right professionals.

Feel free to reach out to us with any questions or to begin the journey of legacy giving.



Steve Weir

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tearfund.ca

And one last thing!
Please let us know, if you have named Tearfund Canada in any of your estate plans, so that we can thank you personally and let you know how your gift will bring lasting transformation.



Appendix A

WILL PLANNING CHECKLIST

YES NO

- Have you identified, listed and located all of your assets and liabilities?
- Have you identified an executor who can effectively act on your behalf? Have you also identified an alternative executor?
- Have you asked your chosen executor if he/she wishes to fulfill this responsibility? Does he/she know where the will is kept?
- Are there any loans or debts owed to you by family members that you wish to forgive at death?
- Are there any special circumstances that must be considered within your will? (e.g. children from a previous marriage, children/grandchildren with special needs)
- Do you plan to leave your estate to your surviving spouse? If no, then specify:

Percentage

Spouse

Child(ren)

Other (charity, family)

YES NO

If your spouse has predeceased you, do you plan to leave your estate to your children, divided equally? If no, specify:

As the last to die, do you plan to use the 'Charity Child' method in distributing your estate? Or, what percentage of your estate would you like to go to charity _____%.

List Charities Here:

%

| | |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

Are you planning on naming Tearfund Canada as one of your charities? If so, you will need the following information:

Registered Charity Number: 10822 2191 RR0001

Tearfund Canada

340 Ferrier St. Suite 202

Markham, ON L3R 2Z5

If you are making reference in your will to beneficiaries of Registered Plans or Life Insurance policies, are these designations in your will consistent with the designations on the plans or policies?

Appendix B

CHARITABLE GIFT ANNUITY CHART

| Age | Annuitant | % Rate | Annual Payout |
|-----|-----------|--------|---------------|
| 73 | Male | 6.41 | \$6,410 |
| 73 | Female | 6.14 | \$6,140 |
| 77 | Male | 6.95 | \$6,950 |
| 77 | Female | 6.68 | \$6,680 |
| 81 | Male | 7.64 | \$7,640 |
| 81 | Female | 7.37 | \$7,370 |
| 85 | Male | 8.51 | \$8,510 |
| 85 | Female | 8.27 | \$8,270 |
| 91 | Male | 10.00 | \$10,000 |
| 91 | Female | 10.00 | \$10,000 |
| 73 | Joint | 5.47 | \$5,470 |
| 77 | Joint | 6.03 | \$6,030 |
| 81 | Joint | 6.52 | \$6,520 |
| 85 | Joint | 7.15 | \$7,150 |

**ANNUITY RATE TABLE AS OF DECEMBER 2024
EXAMPLES BASED ON \$100,000 DEPOSIT**

Story of Impact

How a widow's funeral changed 100 lives

After sharing the story of the Good Samaritan, Jesus said, “Go and do likewise” (Luke 10:27b).

Pastor Mesfin Yacob and his church had no idea how much Tearfund's church mobilization training would change their

lives. Gununo Stadium Kale Heywet Church (GSKHC), a church plant in the rural town of Beklo Segno, Ethiopia, had faithfully preached God's Word for years. But the deep poverty in their area—lack of food, shelter, and education—left Pastor Mesfin longing to do more. Thanks to Tearfund's partner, TDA, the church received training in Church and Community Transformation (CCT), and everything changed.

CCT taught them that serving the community isn't separate from church work—it is church work. Inspired by Jesus' love, the church began to live out their faith in practical, generous ways. In just one year, the results were astounding.

The church paid for health insurance for 39 people, including 11 non-members. They helped others start businesses, planted a garden for the community, and covered school fees, meals, and supplies for 10 children. These efforts provided not only food, healthcare, and education, but also hope and dignity.



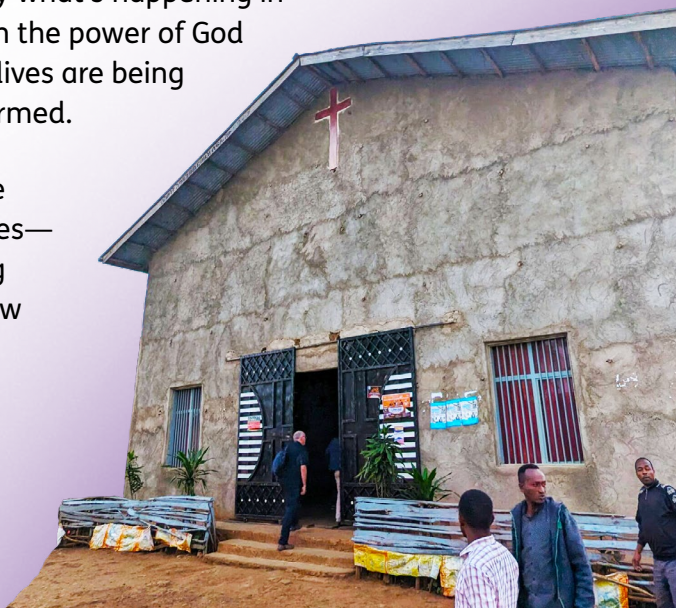
As the church continued to serve, the local government took notice and gifted them land to support their work. More importantly, lives were being transformed. Many who received help were not part of the church, but through these acts of love, several gave their lives to Christ. One of their most powerful stories involved a widow named Reta*.

After Reta lost her husband, the church built her a home. Sadly, she passed away not long after. Her family, who had been unsure about the church's intentions, attended the funeral. There, something amazing happened—God touched their hearts. Through the church's compassion, 13 households came to know Christ that day—nearly 90 people!

In total, almost 100 people have dedicated their lives to Jesus through the church's outreach and Reta's story. Gununo Stadium Church has become more than a place of worship—it's a light in the darkness, bringing holistic change to its community.

2 Corinthians 5:17 says, "Therefore, if anyone is in Christ, he is a new creation. The old has passed away; behold, the new has come." This is exactly what's happening in Beklo Segno. Through the power of God and the help of CCT, lives are being restored and transformed.

Rejoice with us as we celebrate these stories—and continue praying for God's work to grow through generous hearts and faithful hands.



Story of Impact

A Legacy of Life

In 2021, COVID devastated life in India. The scenes on the news looked like something out of a horror movie. Hospitals were bursting at the seams. Morgues were full. We were on the phone



with our local church partner every day to receive updates. We prayed with them on the phone as they told us another frontline worker passed away.






In the midst of such darkness, a small light suddenly flickered. We were stunned to see a \$50,000 donation come seemingly out of nowhere. We quickly phoned the donor to thank them and ask why—why did they decide to give so generously? Their response was equal parts humility and love, *“we simply wanted to help people in need during this pandemic period. That money is from our family inheritance fund. We sincerely hope the sum of money in different areas can give relief to people who suffer and need it. May God Almighty be magnified and glorified.”*

Over the next few weeks, that \$50,000 touched the lives of hundreds. One such life was a widow whose husband had died of COVID while ministering for Jesus among the tribal people in one of the poorest areas of India. He gave his life to protect “the least of these.”

None of the people who benefited from the \$50,000 knew how the funds originated or where they came from. But they knew that some cared and they felt the love of Jesus. May God Almighty be magnified.

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Registered Charity No. 10822 2191 RR0001

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