

FINANCIAL PLANNER



Alumni Assuring the Future of Queen's



Catherine Purcell, ArtSci'78, BEd'85, MEd'98 & Michael Purcell, Sc'75

“People aren’t always comfortable talking about planned giving,” says Catherine Purcell, Artsci’78, BEd’85, MEd’98.

Fortunately Catherine isn’t like most people. As Director of Principal Gifts at the Smith School of Business at Queen’s University, she has frank discussions on the subject every day. “The people I talk to tend to say, “Oh, I’ll worry about that when I’m older,”” she says. “I tell them it’s better to plan these things now so you can make it part of your overall financial planning.”

Not only does Catherine dispense sound advice to her donors, she also follows it herself. A career-long Queen’s employee who has spent seventeen years working closely with donors at the Smith School of

Business and the Faculty of Arts and Science, Catherine and her husband, Michael, Sc’75, joined the donor ranks themselves a decade ago when they established a bursary for incoming Engineering and Business students. In 2014 they added to their legacy when they made Queen’s the beneficiary of their life insurance policies.

Giving to Queen’s was an easy decision for the couple. After all, it’s where they first met.

It was Frosh Week, 1974. Catherine, newly arrived from Orillia, had agreed to wash windows at the off-campus home of fourth-year engineering students. One of those students was Michael. “My friend and I were exhausted from washing windows all day,” she recalls. “We told them that after all of our hard work, the least they could do was drive us downtown. Michael’s best friend had a ’62 Impala convertible. We piled in and cruised the main drag. It was a great night.”

They started dating at the beginning of Catherine’s second year. “She liked it when I pulled up to her residence in my motorcycle with my Engineering jacket on,”

Continued on page 2

INSIDE

Making Your Gift of Life Insurance.....	3
A New Home for your Family Treasures	5

Continued from page 1

Michael says. "She thought I was like Rebel Without a Cause." They married the summer after her third year.

Catherine had planned to put her Geography degree to work in Calgary after graduation, but Michael, a native Kingstonian, wanted to stay close to home. Since she had worked her way through Queen's carrying film and slide projectors from class to class, she knew her way around campus and felt comfortable looking for work there. She landed a job right away, launching a career at the university that, when she retires this spring, will have lasted nearly four decades.

"Not many people can say they woke up most mornings and looked forward to going to work," Catherine says, "but I really did. I've always enjoyed my jobs and Queen's has been a great employer. Our lives wouldn't have been the same without it."

They expressed their gratitude by establishing a bursary in support of first-year students in either the Smith School of Business, where Catherine has worked for the last twelve years, or Michael's home faculty, the Faculty of Engineering and Applied Science. Since both of them were the first in their immediate families to attend university, they decided to target the bursary toward students who were blazing a similar trail in their families.

Once the couple had made that commitment, a future gift arrangement seemed like a natural next step. "Because I spend my time asking people to consider

"We had an opportunity to do something special... Life is short and this is important."

leaving a legacy to Queen's in support of an area of the university that they care about, I was probably predisposed to think about leaving a legacy of my own," Catherine says.

After meeting with their financial advisor, they decided to assign Queen's as the beneficiary of a pair of life insurance policies. For the Purcells, naming Queen's as beneficiary was the right decision. "We originally bought the policies for our kids," Michael says. "But they're grown now and they're doing well on their own, so we realized that we had an opportunity to do something special."

"We believe that education can be a game changer," says Catherine. "It can break the cycle of poverty, not just for students, but for their families as well. Our kids were in good shape, so we thought we could help someone else's children."

If she could offer one piece of advice to people considering a gift of insurance, Catherine draws on both her personal and professional experience. "Life is short and this is important," she says. "Don't put it off because you think it'll be a hassle. There's just one form to sign. It's that easy to do, and it can make a big difference."

To learn how you can make a big difference in the lives of students for generations to come through a future gift arrangement such as a bequest, the proceeds of a trust, an insurance policy, or a retirement fund, contact the Gift Planning office at 1-800-267-7837 or by email at gift.planning@queensu.ca.

Royal Legacy Society

The Royal Legacy Society recognizes those alumni and friends who have thoughtfully remembered Queen's University through a bequest or another future gift commitment. Members receive a Certificate of Appreciation signed by the Principal and Vice-Chancellor, and may choose to be recognized on our donor wall housed in the 1923 Reading Room of Douglas Library.

If you have already remembered Queen's with a future gift, please let us know so that we can honour your intention.

We look forward to welcoming you into the
Royal Legacy Society.

For more information, please visit our website at
queensu.ca/alumni/rls

Making Your Gift of Life Insurance



Joe Pal, Com'74, President, Pal Insurance and member of Queen's Gift Planning Advisory Committee

Making a gift of life insurance is a very powerful way to create a legacy. This article is not intended to provide a detailed technical summary of how the process works. Instead, Joe Pal, President of Pal Insurance and a member of the Queen's Gift Planning Advisory Committee provides a clear description of the gift planning opportunities available to you. Joe offers insight into the ways in which a gift of life insurance can help you achieve your philanthropic goals while offering tax advantages.

Time has a way of changing things and our lives evolve. Often, as a result, the original intention or motivation for purchasing an insurance policy may have come and gone.

The traditional insurance role of creating immediate liquidity for "family protection" may no longer be required. Mortgages and other liabilities may have been discharged, families have grown up, investments portfolios may have matured and pensions are now providing income. Any or all of these factors may reduce or eliminate the original need for older insurance programs.

While not included in the scope of this article, the same holds true from a corporate perspective. Corporate insurance programs, shareholder buy/sell

agreements, and collateral term insurance plans may no longer be required. Designating Queen's as the owner of a corporate owned policy can also result in tax deductible charitable receipt(s). In this instance the donation receipt(s) will be issued to the corporation as the donor.

Planned giving with insurance can be used to benefit Queen's and create tax benefits to reduce your tax bill either during your life or on death.

Advantages of donating Life Insurance:

- Creates a significant gift with limited resources
- Eligible for a donation tax credit
- Not subject to probate, litigation, or creditors.

There are three parties to an insurance program: the insured, the owner, and the beneficiary. The insured designation in a policy is irrevocable. The ownership and/or beneficiary of a policy can be altered in order to accommodate changing tax and/or estate planning strategies. This feature provides individuals and corporations with a great deal of flexibility.

Owner or Beneficiary?

Queen's could become the owner and/or the beneficiary of your insurance policy. Let's examine the benefits of each alternative.

Transfer Ownership to Queen's

If you determine there is no estate planning requirement and no need for a large estate tax deduction, then you should consider transferring ownership to Queen's.

Not all policies are suitable for donation credits. The following characteristics can be used as guidelines to determine if your policy is suitable for a charitable gift to Queen's.

- The policy must have a guaranteed death benefit
- The policy design is permanent
- The donor must demonstrate donative intent
- The policy may be paid up within 20 years
- The policy has level premiums

Transferring ownership of a newly issued policy to Queen's (Example 1) results in annual charitable donation receipts equal to the premiums paid into the policy.

When the ownership of an existing policy is transferred to Queen's (Example 2), a tax deductible charitable receipt is issued equal to the fair market value (FMV) of the policy, plus annual receipts for any future premiums paid.

The receipted value (FMV) normally equates to the cash value of the policy. It should be noted that the FMV of a policy can, at times, be in excess of the cash value depending on plan design and the health of the insured. Valuation reports are often required by CRA and should

Example 1: New issued policy ownership transferred to Queen's

Mr. Alumni, age 40
\$500,000 Permanent Insurance Policy (new)

Annual Premium	\$15,000
Number of Deposits	10
Total Deposits	\$150,000
Donation = Deposits to cover annual premium payments after transfer of ownership	
Benefit to Queen's on death of donor	\$500,000

Example 2: Transfer Existing Paid-Up Policy

Ms. Alumni, age 50
\$1M Permanent Insurance Policy (existing)

Annual Premium	\$30,000*
Number of Deposits	10
CSV (Cash Surrender Value)	\$350,000
FMV (as per valuation)	\$350,000
Donation = Fair Market Value of policy. Additional deposits can/may be made to cover annual premiums* after transfer of ownership to increase values	
Benefit to Queen's on death of donor	\$1M

be prepared by an independent actuarial firm.

Once Queen's owns and controls the policy it can ensure that it is also the beneficiary of the insurance proceeds.

Appoint Queen's as Beneficiary

There are two methods for appointing Queen's as a beneficiary of an insurance policy: direct designation on policy or named beneficiary in will:

Direct designation beneficiary on policy:

- Does not form part of donor's estate
- Is not subject to tax, probate or creditors
- Payout is quick and efficient
- Confidential

Named Beneficiary designation (estate) in will:

- Estate is subject to executor fees, probate fees, and other administrative charges
- A will is a public document and not confidential
- Estate proceeds potentially subject to creditors
- Payout from estate can be prolonged

Conclusion

Donating a life insurance policy is a great way to support Queen's. Whether you retain ownership of the policy and receive a tax receipt later, or transfer the policy ownership to Queen's now in order to receive tax receipt(s) while living, the university will benefit.

The timing and amount of your charitable donation to Queen's will depend on your individual situation and estate planning requirements.

On any charitable gift arrangement, including transfer of a life insurance policy, Queen's strongly recommends that donors seek independent legal and financial advice. The Queen's gift planning team is always available to help you analyze the alternatives to determine the appropriate planning strategy for your situation and answer questions that may arise.

A New Home for Your Family Treasures



Stewart Fyfe, Arts'49, MA'54
Professor Emeritus, Department of Political Science &
Mrs. Jocelyn Fyfe

Stewart Fyfe, Arts'49, MA'54, wouldn't describe himself as an avid art collector, but he considers himself blessed with a collector's eye. When he found an A.Y. Jackson oil sketch for sale, he knew he had found something special.

Dr. Fyfe, an emeritus professor in the Department of Political Science, bought the sketch in 1961 at a reduced price from a Montreal gallery that was going out of business. It hung in the family home until last year, when he and his wife, Jocelyn, were ready to downsize, at which point they found a new home for it – in the Agnes Etherington Art Centre.

"We wanted it to be a part of the huge, wonderful collection that they have," says Dr. Fyfe, who, along with Jocelyn, also donated an oil-on-Masonite still life by western Canadian painter G.K. Smith. "I hope they can use both paintings to help teach students about art and conservation."

Jan Allen, The Agnes' director, says the gallery was excited to receive the Fyfes' gifts, but adds that even a significant work by a renowned artist has to go through a vetting process. "We look for works that enhance our holdings," she says. "We also have to look at the condition of the work and whether it needs some care and repair before it's ready for exhibition. Those are aspects of due diligence on our part to make sure that the work is sound and will be an asset for future exhibitions or research and teaching."

Dr. Alvan Bregman, Head of the W.D. Jordan Rare Books and Special Collections at Queen's University Library, has seen some equally impressive donations recently. "We had some Langston Hughes material come to us unexpectedly this year," he says. "We also had a wonderful old bible from 1700. We have a bible collection, and anything older than 1800 is considered a desirable acquisition."

Like The Agnes, the Library needs to consider both condition and the fit within the overall collection before they accept a donated book or artifact. "It could be that you want to donate a book to us, but we already had several copies of it," Dr. Bregman says.

Both the Library and The Agnes are happy to accept donations that meet the fit and condition criteria, and there are resources available to help potential donors understand whether their treasures would make appropriate gifts to Queen's. An important first step of the rigorous acquisitions process, Dr. Bregman says, is to make contact while you're still in the process of deciding whether or not to donate. "We appreciate it when people send us a list of what they propose to give us so that we can evaluate it," he says.

"We often start the conversation by asking for a photograph or any documentation of the work that lets us have a better understanding of it," adds Ms. Allen.

Continued on page 6



A.Y. Jackson, Rainy Day, Quebec Village. 1950s, oil on panel.
Agnes Etherington Art Centre, Queen's University.
Gift of Jocelyn and Stewart Fyfe, 2016
photo credit: Bernard Clark
(c) Carleton University Art Gallery, Ottawa.

Continued from page 5

"We might even visit the donor in person and look at the pieces for additional insight."

Ms. Allen and Dr. Bregman both acknowledge the important role donors have played in enabling their collections to grow. "We absolutely rely on gifts of art," Ms. Allen says. "A large portion of our collection comes to us through that avenue, and we always enjoy working with potential donors who want to find a legacy home for their collections."

If you're considering leaving art or collectibles to Queen's, it's important to consult with us before you finalize your will to ensure that the work is of interest to Queen's. The Gift Planning Office is there to work with you and make sure that Queen's is the right home for your treasure.

Queen's also highly values cash or endowed funds to help continue to strengthen collections across the university.

If, like Dr. and Mrs. Fyfe, you have a work of art or very special book that you wish to give to Queen's University, or if you'd like to contribute in other ways, please contact the Gift Planning Office at 1-800-267-7837 (toll-free in Canada and the US) or by email at gift.planning@queensu.ca.

The Queen's Financial Planner is provided as a special service for the alumni and friends of Queen's University by the Office of Gift Planning. Readers are cautioned to consult their own professional advisors to determine the applicability of information and opinions in this newsletter in any particular circumstances. This newsletter is copyright; its reproduction in whole or in part by any means without the written permission of the copyright owner is forbidden.



Save Paper!

If you would like to receive future issues of this newsletter by email, please contact us at gift.planning@queensu.ca

Over the years, people just like you have chosen to make Queen's a part of their legacy, assuring the well-being of the university and its students for years to come.

What will
your legacy
look like?

planning
makes a
difference

Interested in remembering Queen's in your estate plans? Let us help.

Simply contact Linda Pearson, Executive Director, Gift Planning at 1-800-267-7837 or at gift.planning@queensu.ca.

Queen's University respects the privacy of its alumni, donors, and friends and the sensitivity and security of personal information. The personal information collected by the Office of Advancement is collected under the authority of the Royal Charter of 1841, as amended, and the Freedom of Information and Protection of Privacy Act and is used for the purpose of advancing cooperative relationships between alumni, friends and students, and the University, and to increase the philanthropic resources of the institution. If you have any questions or concerns about the information collected or how it will be used, please contact the Office of Advancement, Queen's University Kingston, ON K7L 3N6, or by telephone at 613.533.2060, or 1.800.267.7837.



OFFICE OF
GIFT PLANNING

Queen's University
Kingston, ON K7L 3N6
Tel 1.800.267.7837
613.533.2060
Fax 613.533.6762
Email gift.planning@queensu.ca
queensu.ca/alumni/giftplanning

FSC