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COMPLIMENTARY

Planning MAKES A DIFFERENCE

Gift Planning, Queen's University

Ann and Donald Cooper,
Com'02, LLD'/1

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Building on a family's commitment:
the Coopers are
creating a legacy
to ensure an
inclusive Queen's

Donald Cooper, Com'58, LLD'07, and his wife Ann have been strong supporters of the Robert Sutherland-Harry Jerome Entrance Award. The scholarship was established in 2008 and honours Canadian athlete and humanitarian Harry Jerome as well as Robert Sutherland, BA'1852, the first person of African heritage to graduate from Queen's and who, at a critical time in the University's history, bequeathed his entire estate to the University. Ann and Donald have committed to continue their support of Queen's students through their estate plans.

Every so often, we all spend time reflecting on our purpose, and thinking about how our lives, our choices, and our actions affect those around us. When we prepare our estate plans, it is so much more than just tying up loose ends. It is a way to reflect on our experiences and our passions and to keep them alive long after we are gone.

When Donald Cooper, Com'58, LLD'07 was reviewing his own plans, he didn't have to reflect for long to realize that, although he enjoyed a successful career in the financial services industry, his lifelong passion has always been education.

After all, he comes from a family of teachers. "My grandfather was a teacher. Both of my parents were teachers. So were my father's two siblings and several of my cousins. Four generations of Coopers have been teachers in Ontario since before the turn of the 20th century."

Both Donald and his wife, Ann, grew up

appreciating the benefits of an education. "It is so important," Donald says, "and not just for those of us who were lucky enough to be born on third base. A good education fosters social mobility. It is the great equalizer."

For Donald, the son of two Queen's graduates, a good education meant a Queen's education. Thirty years after his father graduated with a BA in Mathematics, Donald earned his Bachelor of Commerce in 1958. Subsequently he maintained his connection with the university by serving from 1989 to 2007 on the Queen's Investment Committee

which manages the university's Endowment Fund (acting as Chair from 1996-2002) and on the university's Board of Trustees from 1996 to 2007. Thirty years after Donald's graduation, the Coopers' son Bruce perpetuated the family's tradition when he earned his Bachelor of Commerce degree in 1988.

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The Seeds of an Idea

One day in the early 1990s, Donald was having lunch with a friend who was active in the Black Business and Professional Association. She told him about the Harry Jerome Scholarships which the group had established to honour a great Canadian athlete and humanitarian. They raised money annually to award to black students pursuing post-secondary education.

"They were raising \$10,000 every year, mostly from members of the Caribbean communities in Toronto," he recalls. There was no endowment.

Donald listened with interest and offered a couple of suggestions about expanding the base of individual donors and gaining some corporate support. His friend challenged him to take up the cause. Within a few years, the organization attracted a good base of corporate support and a broader base of individual donors. In recent years annual awards have exceeded \$150,000.

While the organization's success was impressive, Donald could think of one area that was ripe for improvement. "Queen's is a great university and I would have liked more of our students to register there," he says. "It seemed obvious that the reason most winners of Harry Jerome Scholarships from the Greater Toronto Area opted for York, Ryerson, or University of Toronto rather than Queen's was that the costs of living away from home were prohibitive."

One of the few who did make it to Queen's was Colin Lynch, Artsci'07, Com'07, now a senior vice president at Greystone Managed Investments. Colin remains a strong Queen's booster and is now a member of the Board of Trustees and of the Investment Committee which oversees the Queen's Endowment and the staff pension fund. "I thought to myself,

'maybe there are a few more Colins in the world,'" Donald says, "so why don't we attract more of them to Queen's?"

Commemorating a Powerful Legacy

In 2008, at the Coopers' urging, Queen's established a scholarship to entice more gifted black students to the University. A Queen's version of the Harry Jerome Awards, the scholarship is co-named in honour of Robert Sutherland, Queen's legendary first black alumnus. The Robert Sutherland-Harry Jerome Entrance Award provides an exceptional black student with \$5,000 per year for up to four years of undergraduate study.

Robert Sutherland was more than just Queen's first black student. He also left Queen's his entire estate upon his death. With this remarkable gift, he saved the university from financial ruin and ensured that Queen's would thrive well into the next century. Donald followed in Robert's footsteps when Queen's initial investment in the award expired. Donald and Ann agreed to keep the award alive with a generous donation, and convinced some of their friends to follow suit. Today, thanks to Donald and Ann's dedication and commitment, the award is fully funded and endowed to ensure that academically gifted black students will always have a place at Queen's.

A passion for education and a timely act of philanthropy aren't the only things the Coopers share with Robert Sutherland. They also share a willingness to include Queen's in their estate plans. Donald and Ann have recently amended their wills to support student aid at Queen's. And a portion of that money is earmarked for the Sutherland-Jerome Award.

By guaranteeing that the Sutherland-Jerome Award is endowed in perpetuity, Donald and Ann Cooper are creating a legacy that mirrors their passions. What will your legacy look like?

If you would like more information on how to create your own legacy at Queen's University, please don't hesitate to contact our office at gift.planning@queensu.ca or by calling 1-800-267-7837. Our Gift Planning staff can help you achieve your goals, because Planning Makes a Difference.



Ann and Donald Cooper Com'58, LLD'07 with Chioma Odozor, ArtSci'16, Robert Sutherland-Harry Jerome Entrance Award recipient. The scholarship is awarded based on financial need, academic achievement, and contribution to the black community or other volunteer activities, and is renewable for three years providing a satisfactory academic average has been maintained and financial need remains. Chioma was able to attend Queen's thanks to the support of Ann and Donald Cooper and their commitment to the Sutherland-Jerome Award. She is now completing her Masters in Biomedical and Molecular Sciences at Queen's and hopes to defend her thesis in the upcoming months.



Another way to donate from an

RRSP or RRIF

Karen Cooper practices charity and not-for-profit law with an emphasis on corporate and tax issues with Drache Aptowitzer LLP in Ottawa, Ontario. Ms. Cooper has been recognized as a leading expert in charity and not-for-profit law by Lexpert and The Best Lawyers in Canada.

It has become a common estate planning technique to provide for a gift to charity upon death, of some or all of the unused assets in an RRSP or RRIF, usually through a direct beneficiary designation.

However, donors looking for opportunities to make a philanthropic impact during their lifetime often overlook their RRSP/RRIF assets because of the complexities and seemingly high tax burden that premature withdrawals might produce. **Donating unused or excess assets in an RRSP or RRIF to charity can enable a donor to realize an immediate impact without triggering tax, as long as the donation is carefully planned.** For high income donors, the tax on the RRSP/RRIF withdrawal may be entirely offset by the donation tax credit resulting from the gift to charity. Further, the estate will be left with fewer RRSP/RRIF assets that will trigger tax at death.

The tax benefits of *inter vivos* (in life) contributions from an RRSP or RRIF account are even more significant if the donor has other investments and sources of income and the donor's income from all sources during the year remains below approximately \$89,000 or, even better tax benefits if income is below \$75,000. This is because the donor will be able to claim a donation tax credit calculated at the

highest rate for any donations made in excess of \$200 per year, and this credit will exceed the tax imposed on the RRSP withdrawal, allowing the donor to use the remaining donation tax credit to offset other income.

Table 1:
Withholding Tax Rates for RRSP/RRIF Withdrawals

	Quebec	All Other Provinces
Up to \$5,000	21%	10%
\$5,001 – \$15,000	26%	20%
Over \$15,001	31%	30%

For example, if Linda wanted to donate \$10,000 of assets from her RRSP or RRIF to a Canadian registered charity, the donation would be considered a withdrawal from the registered plan and the full amount of the withdrawal would be included in Linda's taxable income and taxed at her highest marginal tax rate. Further, there is a CRA withholding tax (see Table 1) that applies and the financial institution holding the RRSP/RRIF assets would normally withhold \$2,000 and report the withdrawal and withholding on a T4RSP (we discuss how to avoid the tax withholding below). Once the \$10,000 is donated to a registered charity, a donation tax receipt will be issued, resulting in a tax credit calculated at the highest applicable

combined marginal tax rate. Table 2 shows the approximate calculations if Linda receives taxable income of \$60,000 a year from other investments and sources (pensions, CPP, etc.) and if her taxable income is \$150,000 and the donation is increased to \$20,000.

the funds directly to the charity following approval of the T1213. It can take CRA several weeks to process the form but if it is approved and provided to the financial institution holding the RRSP/RRIF assets, they would not be required to withhold an amount in respect of tax and the full

Table 2: Illustration of tax implications of RRSP/RRIF gift in life

	Income = \$60,000	Income = \$150,000
Withdrawal from RRSP/RRIF	\$10,000	\$20,000
Tax Withheld by Institution	\$2,000 (20%)	\$6,000 (30%)
Marginal tax rate (Ontario combined rate)	29.65%	47.97%
Taxes paid	\$2,965	\$9,594
Donation to charity (Value of Tax receipt)	\$10,000	\$20,000
Tax credit ¹	\$4,800	\$9,600
Net tax credit available after tax paid	\$1,835	\$6.00

In both instances Linda is able to withdraw the funds “tax-free” from her RRSP/RRIF accounts and, if her taxable income is below \$150,000, she will retain some donation tax credit that can then be used to reduce taxes on her other taxable income (an additional amount of \$1,835 if her income is \$60,000).

Avoiding Withholding Tax

Particularly for larger donations, it may be possible to avoid having tax withheld from the withdrawal from an RRSP/RRIF by the financial institution by filing a Form T1213, Request to Reduce Tax Deductions at Source, with the appropriate taxpayer services regional correspondence centre. It would be prudent to include with the T1213 some form of documentation to corroborate the intention to make a gift to a registered charity from the withdrawal. This could be a signed pledge agreement, a draft gift agreement, a comfort letter from the registered charity confirming the intended gift, or even a signed direction from the donor to the institution to transfer

amount of the withdrawal may be transferred to the registered charity.

Making an *inter vivos* donation from an RRSP or RRIF is an important estate planning tool for individuals who are likely to have significant unused RRSP/RRIF assets upon death because it enables withdrawals with little or no tax consequences. The tax benefits are even better as donors’ income from other sources diminishes. As with all significant gifts to charity, careful planning is required to realize the maximum impact of the donation. Donors should seek independent legal and/or accounting advice when considering a gift funded from RRSP/RRIF assets to ensure that they are not caught unaware of the tax implications² of such gifts.

The Queen’s Gift Planning team has the specialised knowledge of these forms of giving and can work with you and your professional advisors to help you make this kind of gift in life. Simply contact the office at 1-800-267-7837 or at gift.planning@queensu.ca.

¹ We are using an approximate rate of 48% for the purposes of this article. A detailed discussion of the calculation of the tax credit with the new top tax rates is beyond the scope of this article.

² As of July 2011, there are new anti-avoidance rules to prevent people from using or receiving their RRSP funds without including these amounts in income. You’ll pay tax equal to the fair market value of the “advantage” you gained – effectively a 100% tax.

The Whillans Way

I like to find creative solutions to problems. Recently, my wife Lindsay and I were reviewing our assets, and recognised that we could be facing an unfavourable tax surprise in the coming years as we prepared to convert our RRSPs to RRIFs. At the same time, I was thinking about creating a legacy at Queen's that would help deserving students.

I was fortunate to attend Queen's without the need for financial assistance. Over the years, I've realized that financial aid could make the difference for many exceptional students lacking the means to have a Queen's education. That's why Lindsay and I have chosen to establish the **Robert T Whillans Award**.

We established the award by withdrawing funds from my RRSP. Our advisor at TD Wealth worked with us to submit a form to CRA that authorized deregistering a portion of my RRSP without the usual requirement to withhold tax at source. This allowed us to donate the full amount of my RRSP withdrawal up front, while deferring the reduced net tax payable. For me this was



Bob Whillans, BSc (Hons – Geology) 1971
and his wife Lindsay Whillans from Ottawa.

the most tax effective way to make my gift to Queen's.

I call it "the Whillans Way" because it turns out, we are the first Queen's donors to make this kind of gift! We hope that our award will help deserving and talented students benefit from everything that Queen's has to offer.

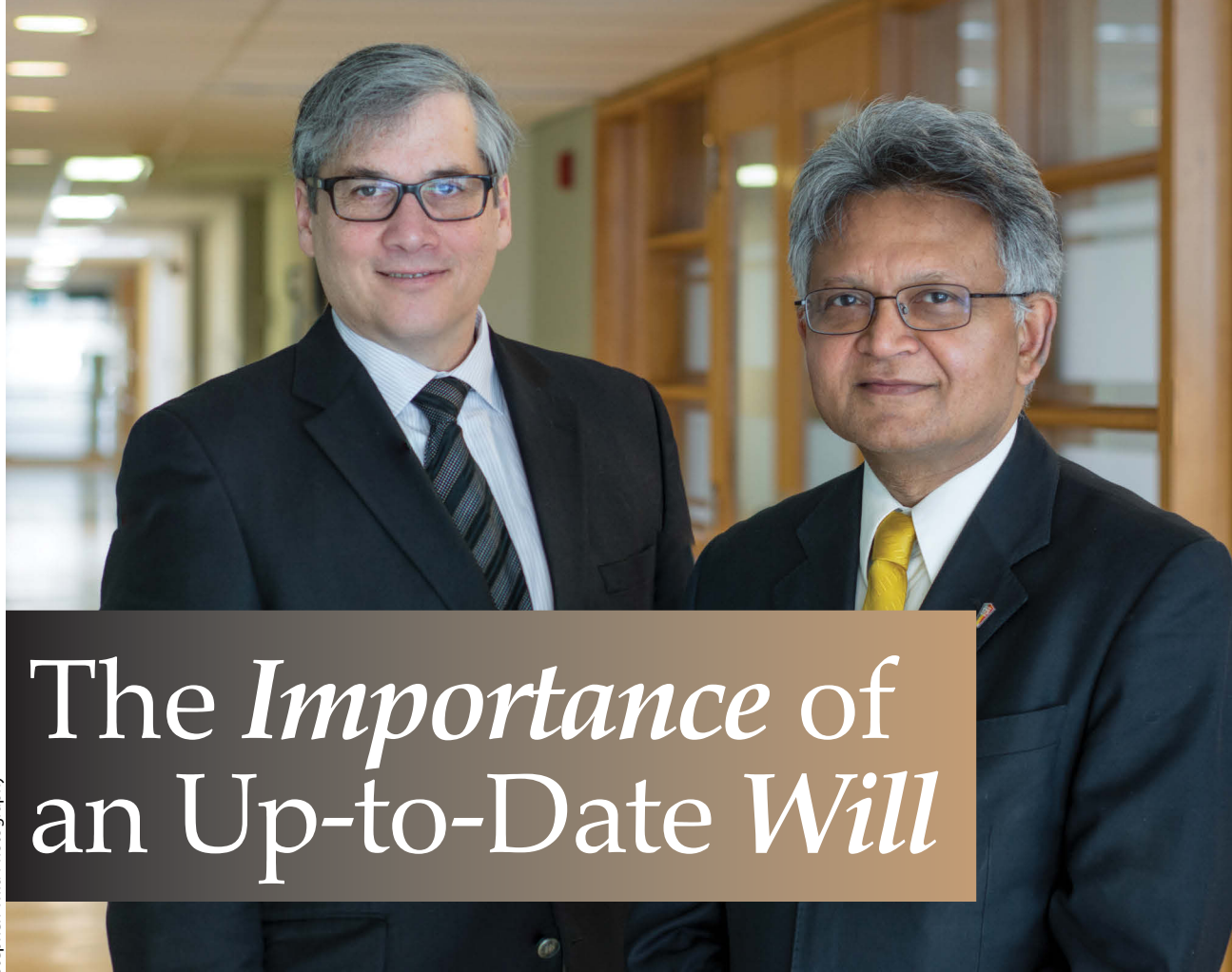
The Queen's Gift Planning Team can work with your professional advisors to help you make this kind of gift in life.

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

For more information on the Royal Legacy Society, please visit our website at queensu.ca/alumni/rls

We look forward to welcoming you.



The *Importance* of an Up-to-Date *Will*

C. David Freedman is both an academic and a practising lawyer. He teaches Wills and Estates, Trusts, Civil Procedure, and Estate Litigation in the Faculty of Law at Queen's University. David has been certified as a specialist in estates and trust law by the Law Society of Ontario and is Counsel to the firm Gowling WLG (Canada) LLP. His practice is restricted to trusts, estates, and capacity litigation. He is a member of the Family Wealth Succession Planning Advisory Council.

Shai Dubey (Law'94) is an adjunct Assistant Professor and Distinguished Faculty Fellow of Business Law at the Smith School of Business whose teaching is focused on negotiation and conflict management. Shai is also the founding director of the new Family Wealth Succession Planning program being launched by Queen's. The program is designed to help families discuss legacy and family dynamic issues.

Deciding to Make a Will is The First, Not The Final Step

We have both encountered situations in dealing with estates that could have been avoided with some planning and foresight. When we say planning, we are not speaking about the mechanics of setting up a proper estate plan but rather about dealing with family dynamics and issues.

We have met with clients who provide only partial information to their

professional advisors. Clients do this for many reasons but the one we hear often is that the client does not want anyone to know everything about their lives and business. Unfortunately, professional advisors provide advice based upon the information that they receive from you. Incomplete information leads to potentially sub-optimal estate planning and even estate litigation when survivors are surprised by what is contained in your Will. Estate

litigation, even if not successful, is costly, stressful, time consuming and can destroy families. **We would recommend that you be open and honest with your advisors so that they can build the best plan for you and your family.**

One of the major issues that we have seen is when the person creating the estate plan wants to distribute assets in a manner that, on the face, appears unfair towards family members. By providing your advisors with the rationale for the distribution plan it may be possible to structure the estate plan in a way to minimize friction, but proper structuring will not fully address family dynamic issues. If there is a legitimate reason for treating family members differently, our

advice is for you to sit down with family to discuss your Will and your intent. It is better for your family to hear the rationale from you directly than have to figure it out from the Will, especially if they only find out about the content of your Will after your death.

Many of us are not equipped or trained to have difficult conversations with family because of the emotional aspect of family dynamics. It may be worthwhile in order to preserve family harmony, wealth and legacy to seek out those who can help you or to have someone facilitate those difficult conversations in a constructive and respectful way. Having the conversations before your death will go a long way in preserving your family and its legacy.

Five Good reasons to make (or update) your Will

1. Consider your surviving spouse and dependants: If people are generally afraid of death, they're afraid of the tax man even more. You can plan how to provide for your spouse and dependants in ways that do not attract unfavourable tax treatment which diminishes the real value of your estate. Whether through the use of spousal trusts to defer capital gains tax until after the death of your spouse, or through special structures for family members who may be incapable of making decisions, a properly crafted estate plan can maximize the value of your estate for the benefit of your survivors.

2. Give to charity: Given that the value of your estate may not be known with any accuracy until after your death, a Will can

provide a scheme for a proportion of your estate to be given to charity or allow your executor to make decisions about charitable donations (which can in fact increase the value of your estate).

3. Distribute your assets: Your Will allows you to leave gifts and pass along heirlooms to people you wish to have those gifts or heirlooms.

4. Life Events: Certain life events can have an impact on all or parts of your Will. For example, if you get married, your Will, unless it was made in contemplation of marriage, is automatically invalidated. In the case of a divorce, bequests to a former spouse in a Will may not be valid even if you really want to provide for your former spouse.

5. Preserve your values even after you're gone:

Whether you value adherence to religious or cultural traditions or more secular approaches to matters such as disposal of your body and property, a Will allows you to instruct those that survive you of your principles. Would you rather have your body dealt with in an environmentally sustainable fashion? Say so. Even better, arrange for it in advance and provide the details together with your Will to the person you pick to be the executor of your estate.

Given all of the good reasons for making a Will, it astounds us that approximately 44% of adult Canadians die without having made a Will or having a valid Will. For those who are or have been involved in the law of Wills and estates, this statistic is disturbing – not because those without Wills have chosen to avoid opportunities to minimize tax liability or create effective strategies to deal with the personal circumstances of different family members, but for the fact that the difficult decisions are left to those that survive them.

Those who die without Wills or where

a Will cannot be located after death are considered to have died “intestate” which means that they have left the treatment of their estate to the laws of the province in which they reside. Each province has different rules but some do not provide any part of the estate for common law partners, often come as surprises to survivors of the deceased. Most of the provincial regimes look to turn assets into cash so that distribution is easier – family heirlooms may end up leaving the family. Would your family members and loved ones be happy with having total strangers deal with your estate under a regime that has been set up by the government with no consideration of the wishes of individuals or families?

It is important that you review your estate plans regularly and seek advice from professional advisors to address your individual circumstances. The Queen's Gift Planning team can work with you and your advisors to answer questions and provide information that will help you build your plan. Simply call 1-800-267-7837 or email gift.planning@queensu.ca.


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Queen's lecture series hosted Nobel Laureate for discussion of gravitational waves

Professor Barry Barish speaking at the inaugural George and Maureen Ewan Public Lecture Series in March 2018.

Maureen Ewan, a long-time social worker at the Ban Righ Centre and wife of Queen's Professor Emeritus Dr. George Ewan, passed away on March 25th in Kingston. Three weeks before her death, she and her husband attended the inaugural Ewan Lecture, the first in an annual series of lectures the couple funded through a generous gift to Queen's.

The series was created to bring leading scientists to Queen's to discuss their work in terms that, as Dr. Ewan explained, "don't require a PhD to understand."

His inspiration, he said, was Maureen, who typed his entire doctoral thesis without understanding a word of it. "It was interesting once he explained it to me,"

she had said. "I believe most people would find it fascinating if it was communicated in a way that people could understand."

As part of Dr. Ewan's dream to make this research more accessible to the general public, the first event was held on March 5, 2018, with lecturer Dr. Barry Barish, co-winner of the 2017 Nobel Prize for Physics.

This extraordinary lecture could not have been possible without the generous support of both George and Maureen Ewan. The Queen's community has lost a very special member with Maureen's passing. The Ewan Lecture stands as a testament to her remarkable commitment to Queen's.



Canadian Particle Astrophysics Research Centre (CPARC) Director Dr. Anthony Noble and the Ewans celebrated a successful inaugural lecture.

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*Kasmet, Sc'11, and
Jessica Niyongabo*
Queen's University alumnus
and bequest donors

**planning
makes a
difference**

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Jess and I chose to make Queen's part of our legacy and take action to help students reach their educational goals. Completing my undergrad at Queen's was a transformational experience. Years later, I can still remember how much every bursary helped. We believe that no talented person should be held back simply due to lack of financial means. Education has been the best investment Jess and I have made and it is our honour and privilege to give back to the Queen's community.



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