

YOUR CATHOLIC LEGACY

From the Development Office of the Archdiocese of Toronto



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MARINA'S LEGACY GIFT
STORY

TAX-CONSCIOUS GIVING
AND BENEFICIARY
DESIGNATION – RRSPS &
RRIFs

JOIN THE LEGACY SOCIETY

Globetrotter leaving it all to archdiocese

BY QUINTON AMUNDSON, REPRINTED WITH PERMISSION FROM THE CATHOLIC REGISTER

Adventurous, diverse and remarkable would be three apt words to describe Lili Khayatt's life.

Now settled in Toronto for the long haul, she is an octogenarian who has called 16 different countries home over the years.

"I am back and will not be getting on a plane any time soon," said Khayatt with a chuckle.

Acutely aware of how good life has been to her thanks to God, she made the decision soon after returning to Canada in 2018 to leave all her earthly possessions to the Church when she departs from the world. She continues an occasional dialogue with the Archdiocese of Toronto — where she regularly attends Mass at St. Basil's Parish or St. Michael's Cathedral Basilica — including a letter she sent a couple months back to Peter Okonski, manager of planned giving and personal gifts.

In her letter, Khayatt explained her reasoning behind her decision to put the Church in her Will:

"The Church has been my spiritual comfort and shelter, and my path to the Lord. In gratitude for all that I have received whilst on Earth, I give all I have to the Church to help her continue her good mission in dedication to the service of the Lord, and to spread His praise and glory everywhere. The Lord gave me much in my life. All I have belongs to Him."

St. Ignatius of Loyola's acclaimed prayer of giving up all worldly possessions concludes Khayatt's letter.

God's destiny for Khayatt to be a world traveller was apparent early on as she lived in Iraq, England, Iran and Lebanon before she reached the age of majority. For many years she was married to a Canadian diplomat, so moves to new exotic destinations nearly every other year was just a way of life. Countries of residence included Belgium, Switzerland, France and Bahrain.

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Marina's Legacy

BY NOEL D'SOUZA, REPRINTED WITH PERMISSION FROM THE CATHOLIC REGISTER

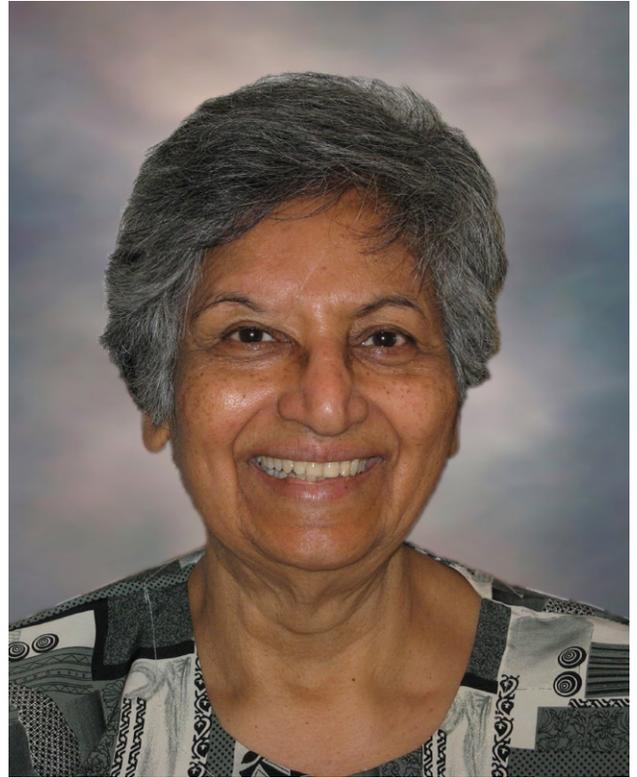
My mother, Marina D'Souza, was born in India, the third of five daughters. She was a sensitive and empathetic child, a trait that would serve her well in her future career.

Coming from a family of doctors, Mom's original career path was to be in medicine, however her tendency to faint at the sight of blood put a swift end to that. Instead, mom turned to teaching, a profession that at the time was not particularly well-respected and didn't pay well. But that was besides the point: mom loved teaching young minds. She taught both geography and English literature. And by all accounts, she was well-loved and respected by her students. Even today, more than 50 years later, many of her students of the time wrote to me upon her passing with their vivid memories of her.

Her first job after receiving her Bachelor of Arts degree was at St. Anthony's Home, an orphanage. She was a very young teacher, so much so that some of her students there were actually older than she was! But her tall stature – 5'9", tall for any woman but absolutely towering for an Indian woman – and commanding presence allowed her to maintain her "cover". And she had "the look" – the one that told you play time was over and you better smarten up. I knew that look well.

Mom was of course a very good student and had multiple scholarships offered to her for study abroad. She declined study in the U.S., opting to further her education in England in 1965. She then returned to Bombay and received her Bachelor of Education, where she stood First Class First, and taught at Canossa Convent school for a few years, then at the well-known Bombay International School. It was during this time that she was introduced to an eligible bachelor by her eldest sister, a man that she would soon call husband and I would call dad. They were married on Christmas Day in 1972. A year later, I came along to inject a little mayhem into their lives.

In 1976, the three of us migrated to Canada. Mom and Dad faced many financial and social challenges and had to start from scratch in their careers. Mom took night courses to "prove" that she was well-educated and capable, along with juggling her job as a teacher and a mother. Initially she struggled to get work as a supply teacher, but her talents landed her a full-time position and she taught at St. Lawrence School and then St. Cyprian School (now Epiphany of Our Lord Academy) for many years, until her early retirement in 1997. Her quiet retirement was interrupted by a couple of life-changing accidents and the passing of her husband in 2010, but through the adversity she maintained her faith, hope, love, and service. She lived happily with me until her passing in May 2021.



How did she come to care about ShareLife and its mission

Service to God and neighbour has always been a big part of the lives of both my parents. They were both lectors at our church, and members and household heads of Couples for Christ. Mom was an active member of the St. Vincent de Paul Society, and served as Secretary and Spiritual Co-ordinator, writing weekly bulletin notices and meeting meditations, presenting to youth at local high schools, helping with social events and offering her ideas and advice at conference meetings. One of her favourite quotes by John Wimber was "Show me where you spend your time, money and energy and I'll tell you what you worship..." Mom rarely spent money on herself, but happily donated to our church, ShareLife, and number of charities. There are hundreds of worthy charities in Canada, with varied missions and goals, and many are deserving of support. However, when making a donation to ShareLife, my mother knew that funds she contributed would be distributed with care and with Catholic values and principles top-of-mind.

How did her commitment grow over time

As with many young families, money was tight for several years as my parents worked to establish themselves. This was no small task... they were middle aged immigrants, and at the time their extensive Indian education and experience was given little weight in Canada. But as they became more financially secure, my parents felt more comfortable with growing their commitment of both time and treasure to our parish and to ShareLife. This started with increased donations at the Sunday collection, and eventually led to the donation of appreciated securities to ShareLife during the

annual Parish ShareLife Appeal, as well as a Legacy as part of her estate plan.

How she came to decide to make her legacy gift and how she felt after she made it

In early 2010 my father passed away. With no financial dependents, only 1 adult child, and some savings and investments accumulated through patience and sacrifice over many decades, my mother had to think more concretely about her own Legacy and how best to make it a reality.

Fortunately, she had a son who is a Financial Planner.

We talked openly about her final wishes and worked together to determine what she could afford to give while meeting her other

estate planning goals, and how best to make that gift in a simple yet tax-efficient way.

After reviewing her situation, we decided to donate her RRIF as her Legacy gift and named the Archdiocese of Toronto and ShareLife as beneficiary of her account. This way the funds would be delivered quickly, without having to wait for the Will to be probated and would also be tax-efficient.

After setting it up, my mother was relieved to know that even in death she would be supporting the Church and its ongoing mission to spread the good news of salvation.

May God continue to bless the Legacy Society and ShareLife, and all who support them!

Tax-Conscious Giving and Beneficiary Designation – RRSPs & RRIFs

When you start considering who should inherit various parts of your estate and other assets, think about the most tax effective solutions that avoid creating tax burden for your beneficiaries.

Registered Retirement Savings Plans (RRSPs) continue to be a significant part of Canadians' assets. Upon owner's death, the RRSPs are treated as income, determined at the fair market value and taxable at the deceased marginal tax rate. However, there are certain categories of beneficiaries who get the proceeds tax-free.

A spouse or common-law partner, who is a beneficiary, can roll over the RRSP assets into their own RRSP without paying taxes. The funds will grow tax free until they are withdrawn from the account.

It is also possible to designate a financially dependent child or grandchild as the beneficiary. In such a case, the RRSP will be transferred directly into a term certain to age 18 annuity in the child's name.

The RRSP proceeds of a deceased individual can also be rolled over to the Registered Disability Savings Plan of the deceased individual's child or grandchild, whose dependency stems from physical or mental impairment.

Naming a charity as a beneficiary is another option. Although the value of the RRSP will be included in the final tax return, the income tax will be practically eliminated by a tax credit; thus, a charitable designation of the retirement funds is tax-neutral.

Registered Retirement Income Funds (RRIFs) are similar to RRSPs. Looking from another perspective, both are two parts of the

process of, first, saving and growing the assets in the plan, and then using them as the income fund when the owner no longer works.

An important feature in both RRSPs and RRIFs is the fact that they can grow tax-free and only the withdrawn amounts are taxable. It is worth remembering that RRSPs have to be converted to RRIFs by the end of the year the owner turns 71. The tax-conscious options when it comes to naming the beneficiaries of the RRIFs are the same as with the RRSPs. The almost purely nomenclatural difference between the rollover of the RRSPs and the naming of the successor annuitant, known also as successor holder of the RRIFs, is important because when the spouse or common law partner is designated as such, then the account will stay open with a spouse as the new owner and there will be no need to collapse the deceased person's RRIF, to sell the assets and roll over the proceeds to the beneficiary's account and that means saved time on paperwork and formalities.

Make sure that the assets will be transferred directly to the beneficiaries and not through the estate; otherwise, the value of the RRSPs or RRIFs will have to be added to the value of the estate, increasing the estate administration tax (formerly probate), and to the final tax return, generating another tax liability.

If it is possible, avoid naming non-dependent adult children as beneficiaries. If you have no spouse or common law partner and no dependent children or grandchildren, consider benefiting a charity. Taking into account the fact such a donation is tax-neutral, the benefit to a charitable cause will be much larger than the net amount available to an adult non-dependant beneficiary after the payment of the income tax, whether by them or by the estate.

Globetrotter leaving it all to archdiocese

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LILI KHAYATT

A compelling component of her life is how she wore a variety of professional hats. She was a receptionist at the Canadian Embassy in Buenos Aires, Argentina, operated her own aerobics gym in Madrid, Spain, taught English in multiple countries and worked as a real estate broker in Toronto in the 1980s.

While she made the decision to give her possessions to the archdiocese before COVID-19, she says the pandemic shifted her outlook.

“It put everything into correct perspective and made my priorities very clear about what it means to be in this world but not of it,” she said. “When I was travelling, I had a lot of distractions — just too many things were occupying my mind. I was not as devotional as I would have liked to be, but the Lord was there for me.”

She felt her “only recourse was to pray” in response to the world basically coming to a stop for many months.

“It was such a shock. I just prayed, prayed and prayed, and the Lord heard me. I haven’t stopped since.”

Khayatt wants to add that while no family members are in her Will, she has exhibited care and love for them by bestowing gifts while she is alive.

Knowing how personal a process of preparing a Will can be, Khayatt says she would not outright campaign for other people to leave everything to the Church like she has.

“It is so personal and everyone’s circumstances are so different. But if they are religious, believe and have faith, I think they will come to that idea on their own. They don’t need encouragement from me,” she said.

“It is good, though, to leave something behind that will go to the glory of God.”



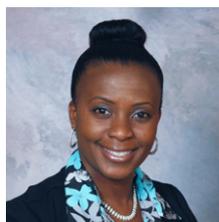
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JOIN THE Legacy Society

If you have included your parish or favourite archdiocesan charity in your Will or estate plan, please let us know. Through the Legacy Society of the Archdiocese of Toronto, we would like to say a special thank you.

All Legacy Society members are invited to the Annual Legacy Society Lunch and Mass by the Archdiocese of Toronto. They will also receive:

- A hand-crafted cross, blessed by His Eminence Cardinal Thomas Collins.
- A personal letter from Cardinal Collins and a certificate acknowledging your intention.
- Invitations to Legacy Society functions and other special events.

Let your legacy be a testament of your faith! To learn more about the Legacy Society, please contact the Development Office.

All calls are confidential. All Legacy Society members have the option of remaining anonymous.

Your Catholic Legacy, the planned giving newsletter of the Archdiocese of Toronto, is a free biannual publication to keep parishioners informed about issues related to estate planning and the many tax-smart and creative ways they can support their parishes and Archdiocesan charities. While all articles are researched and come from reliable sources, you should always consult your own advisors before making a gift.