SSC # 92 – TAX-EFFICIENT CHARITABLE GIVING FOR MASS-AFFLUENT CLIENTS

This course is eligible for:

2.0 Life & A&S CE Credits for BC, SK, MB & ON.

2.0 Life ONLY CE Credits for AB.

Target Audience

This continuing education course is designed for licensed financial advisors and certified financial planners who serve **mass-affluent Canadian clients** — generally defined as individuals and families with investable assets between **$500,000 and $5,000,000**. Clients in this segment increasingly articulate philanthropic goals alongside traditional wealth management objectives, yet many are unaware of the substantial tax benefits available to them through strategic charitable giving.

Specifically, this course is appropriate for:

- Wealth advisors and estate planners who coordinate with legal and tax professionals on multi-disciplinary client engagements;
- Investment advisors and portfolio managers registered with CIRO (the Canadian Investment Regulatory Organization) serving high-net-worth retail clients;
- Certified Financial Planners (CFP) and Registered Financial Planners (RFP) holding FP Canada designations who prepare comprehensive financial plans;
- Financial security advisors and representatives registered with the Chambre de la sécurité financière (CSF) in Québec who advise on life insurance and other financial products;
- Mutual fund dealers and their dealing representatives with clients approaching or in retirement who have charitable intentions.

Course Overview

Despite the generous tax treatment available to charitable donors in Canada, the vast majority of mass-affluent clients leave significant tax savings on the table each year. Most Canadians who donate to charity do so by writing a cheque or providing a credit card number — a method that, while simple, is among the *least* tax-efficient ways to give. When a client donates cash, they have already paid income tax and, in the case of investments, potentially capital gains tax on the funds they are giving away. The federal and provincial donation tax credits offset some of this tax burden, but they do not address the lost opportunity created by suboptimal structuring.

Advisors who understand and can articulate the full suite of tax-efficient charitable giving strategies are uniquely positioned to add measurable financial value to their clients' lives while deepening the client relationship through values-based planning conversations. This is an area of practice where technical knowledge directly translates to client outcomes — and where the advisory profession has a genuine opportunity to demonstrate its worth.

Learning Objectives

Upon successful completion of this course, the learner will be able to:

1. **Explain the federal charitable donation tax credit structure**, including the two-tier credit rates (15% on the first $200 and 29%/33% above $200), the stacking of provincial credits, and the 75% net income limitation, and accurately calculate the combined federal-provincial tax benefit of a donation in common scenarios;

2. **Describe the tax advantage of donating appreciated publicly traded securities in kind** to a registered charity, calculate the marginal benefit compared to the sell-and-donate-cash approach, and identify the categories of securities eligible for the zero capital gains inclusion rate under ITA subsection 38(a.1);

3. **Identify the structure, benefits, limitations, and Canadian providers of donor-advised funds (DAFs)**, and explain how DAFs can be used for multi-year donation bunching, the management of appreciated securities contributions, and flexible grant-making;

4. **Outline the three primary life insurance charitable giving strategies** — donating an existing policy, naming a charity as beneficiary, and purchasing a new policy for charitable purposes — and explain the corporate giving interaction with the capital dividend account (CDA);

5. **Summarise the key features of advanced charitable giving vehicles**, including private foundations, charitable remainder trusts, testamentary donations, RRIF/RRSP charitable designations at death, and ecological gifts, along with their associated compliance obligations and anti-avoidance risks;

6. **Apply a values-based discovery and planning process** to integrate tax-efficient charitable giving recommendations into a client's comprehensive financial plan, in a manner that is consistent with CIRO, FP Canada, and CSF documentation and suitability standards.