Philanthropic donation

ILLUSTRATIVE EXEMPLE

This is an illustrative example. Please contact your notary for a personalized estimate.

COMPARISON BETWEEN A REGISTERED DONATION AND NO DONATION

Scenario

- The donor has an estate worth **1 000 000 €**.
- They make the following arrangements today:
    1. **a bare ownership donation to their three children;**
    2. **a registered donation of €100,000** to the Foundation for Future Generations.
- They retain usufruct over the assets transferred to their children (income and right of use).
- Region: Brussels
- **Donation tax rates:**
    0. Children: progressive rates depending on the relationship (direct line). For simplicity, a **3% rate** is used in this example.
    1. Foundation (public-benefit foundation): 7% (reduced rate)
- **Tax deductibility of the donation: 30% (instead of 45%)**
- A **registered donation** will never be reintegrated into the estate, even in the event of early death.

FONDATION POUR LES GENERATIONS FUTURES

Fondation d'utilité publique

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	Without donation	With registered donation (bare ownership to children + FGF)
Amount transferred today	0 €	1 000 000 €
Donation to children	—	900 000 € (bare ownership)
Donation to the Foundation	—	100 000 €
Tax paid by children	300 000 € (upon death)	**18 900 €**
Tax paid by the Foundation (7%)	0 €	**7 000 €**
Tax deductibility on €100,000 (30%)	0 €	**– 30 000 €** (tax reduction)
Net cost of the donation to the Foundation	—	100 000 + 7 000 – 30 000 = **77 000 €**
Final net amount for the Foundation	0 €	**93 000 €**
Final net amount for children	**700 000 €**	**900 000 €** (full ownership upon death)
Reintegration into the estate	Yes (entire estate)	None (registered donation)
Overall tax optimization	low	**Very significant**

A registered donation (bare ownership to children + donation to FGF) offers:

For you, the donor

- a very significant increase in the final amount transferred to your children;
- maximized legal certainty;
- the opportunity to make a strong philanthropic contribution and see your donation in action;
- a reduced effective cost thanks to the tax deduction on the donation.

For your children

- a substantial reduction in taxes: €300,000 → €18,900;
- automatic access to full ownership upon death, with no additional taxation;
- a smooth and anticipated transfer of assets.

For the Foundation

- a high net amount (€93,000) thanks to the reduced tax rate;
- immediate use of the donation;
- an experience of philanthropy as active, optimistic, and impactful.

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