

■ Gift of Publicly Traded Securities

For Canadians, the sale of appreciated securities can result in significant capital gains taxation. Gifting these to charity can provide significant tax relief. Listed securities include stocks, bonds, mutual funds and certain income trust units which are publicly traded through an exchange. Donors are able to give such gifts during their lifetime and afterward - through their Estate, depending on circumstances and wishes.

The de-mutualization of some of Canada's life insurance companies like Clarica, Sun Life Assurance Company, Manufacturers Life and Canada Life presents a unique opportunity for shareholders to make a special gift. The Foundation has been the recipient of a growing number of these types of gifts.

Features of Gifts of Publicly Traded Securities:

- Donation receipt for fair market value of the asset.
- Donate up to 75% of annual income – with 5 year carry forward beyond.
- Irrevocable gift with more tax savings than cash gifts.
- 100% elimination of capital gains taxation!
- The SMHF pays no tax on sale of the asset.

Gifting securities is quite simple. Meet with your financial advisor to select the appropriate security to transfer, contact us at the foundation and the transfer can be done electronically. Once the shares are received by the SMHF, a receipt will be issued for the market value on the day the shares are received in the SMHF account. It is the practice of Sauguen Memorial Hospital Foundation to cash the shares immediately upon receipt.



Example:

Ms. Williams decides to make a \$50,000 donation to the SMHF capital campaign. Her income for 2016 is \$100,000. Many years ago, she purchased shares in Publico (a publicly traded company) for \$2,500 which are now worth \$50,000. She and the gift planner for the Foundation are evaluating two alternatives: to sell the shares and make a cash gift to the campaign, OR to give her Publico shares in kind. See the chart below.

	Donation of \$50,000 Cash	Donation of Public Shares
Regular Income:	\$100,000	\$100,000
Taxable Capital Gain:	<u>\$23,750</u>	\$0
Taxable Income:	\$123,750	\$100,000
Taxable Liability:	\$13,625	\$4,799
Tax Savings:		\$8,826
After Tax Cash:	\$86,375	\$95,201 - A \$8,826 Difference!

About the Foundation:

Our mission is to raise and manage funds for equipment, facilities and staff development to ensure our community and visitors have access to the best possible hospital care.

The Saugeen Memorial Hospital Foundation is 1 of 5 foundations supporting Grey Bruce Health Services hospitals in Lion's Head, Markdale, Meaford, Owen Sound, Wiarton and Southampton. Our fundraised dollars are used to purchase equipment for Southampton Hospital, plus a share - based on patient usage, for our regional hospital in Owen Sound.

Each year we raise approximately \$500,000 to help purchase high priority medical equipment. The Provincial Ministry of Health provides very little funding to hospitals for up-to-date technology and facilities. Therefore, funds must be raised with help from the community.

Should you choose to arrange a gift with the Foundation, you would be helping to ensure a higher standard of hospital care for everyone in Saugeen Shores.

This makes your support critical.

For Legacy Giving Inquiries Please Contact:

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Visit smhfoundation.ca for further information about the Foundation.

This information provides a brief overview on planning a gift to Saugeen Memorial Hospital Foundation. The information is general in nature and is subject to change according to individual circumstances. You should always consult your own professional advisors for detailed information tailored to your own circumstances and to confirm applicable tax benefits.