

CARING FOR TOMORROW

SECURITIES GIFTS



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, ETF's, 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 LISTED 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!
- SMHF pays no tax on redemption of the securities.

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 Saugeen Memorial Hospital Foundation, a receipt will be issued for their market value on the day the shares are received into our account.

If you wish to give securities held in certificate form, please contact the Foundation.



Example:

Lynn Williams decides to make a \$50,000 donation to the Light the Way Campaign. Her income for 2022 is \$75,000. Many years ago, she purchased shares in Publico (a publicly traded company) for \$2,500 which are now worth \$50,000. Lynn and her accountant are evaluating two alternatives: to sell the shares and make a cash gift to the campaign, OR to gift her Publico shares in kind.

Gift Cash vs Securities

	Sell Shares, Donate Cash	Donate Shares in Kind
Regular income for year 2022	\$75,000	\$75,000
Taxable capital gain at 50% (sale) or 0% (donation)	<u>23,750</u>	0
Total 2022 income	\$98,750	\$75,000
2022 Income Tax		
Income tax payable on regular income	\$12,900	\$12,900
Capital gains tax on sale of shares at 48%	11,400	0
Donation tax credit at 46%	<u>(23,000)</u>	<u>(23,000)</u>
Income tax liability (excess credit)	\$1,300	(\$10,100)

Donating the shares in-kind will save \$11,400 in income tax for Lynn!

ABOUT SAUGEEN MEMORIAL HOSPITAL 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.

We are one of five Foundations that support Brightshores Health System hospitals in Owen Sound, Markdale, Meaford, Wiarton, Lion's Head and Saugeen Shores. Funds raised are used to purchase medical equipment and support other projects such as facility improvements, medical research and clinical staff education.

Each year our goal is to raise nearly \$2 million to purchase items from Brightshores' list of priority equipment needs. Very little government funding is provided to hospitals for new and replacement equipment.

Donor support is key to ensuring that our Hospital continues to thrive!

FOR ASSISTANCE, PLEASE CONTACT:

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Charitable Registration #88959 9825 RR0001

Visit www.smhfoundation.ca to learn more.



This information provides a brief overview on planning a gift to Saugeen Memorial Hospital Foundation. It is general in nature and 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.