

# CARING FOR TOMORROW

## GIFTS OF PUBLICLY LISTED 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 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!
- The Foundation 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 MHF, a receipt will be issued for their market value on the day they are received into our account.

It is the practice of Meaford Hospital Foundation to redeem securities immediately upon receipt.

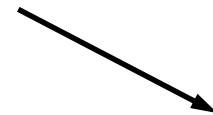


**Donor gives**  
Publicly listed stocks,  
bonds or mutual  
funds

**Foundation receives**  
securities which it  
sells without tax on gain



**Donor receives**  
Charitable receipt for fair  
market value, avoids tax on  
capital gain & OAS clawback



**Hospital receives**  
Funding for high priority  
equipment needs

## EXAMPLE:

Ms. Williams decides to make a \$50,000 donation to the MHF capital campaign. Her income for 2019 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 below:

	DONATION OF \$50,000 CASH	IN-KIND DONATION GIFT OF SHARES
Regular Income:	\$100,000	\$100,000
Taxable Capital Gain:	<u>\$23,750</u>	<u>\$0</u>
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 MEAFORD HOSPITAL FOUNDATION:

The Meaford Hospital Foundation was established to raise, receive and manage money for the purpose of purchasing capital equipment and building improvements at Meaford Hospital and Owen Sound Regional Hospital. This role is critical to our hospitals' viability since the government provides almost no funding for equipment. The Foundation contributes between \$300,000 and \$400,000 per year for medical equipment. It is governed by an elected Board of Directors, all of whom are community volunteers.

### PLEASE CONTACT:

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*This information provides a brief overview on planning a gift to The Meaford 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.*