

# CARING FOR TOMORROW

## GIFTS OF SECURITIES

The sale of appreciated securities can result in capital gains taxation. Gifting these to charity can provide significant tax relief. Stocks, bonds, mutual funds, Exchange Traded Funds and certain income trust units which are publicly traded through an exchange are eligible to donate. You may give such gifts during your lifetime and afterward – through your Estate, depending on circumstances and wishes.

The de-mutualization of 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 TRADED SECURITIES:

- | Donation receipt for fair market value of the asset.
- | Donate up to 75% of annual income – with 5-year carry forward.
- | Irrevocable gift with more tax savings than cash gifts.
- | 100% elimination of capital gains taxation!
- | Bruce Peninsula Hospitals 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 Bruce Peninsula Hospitals Foundation, a receipt will be issued for the market value on the day the shares are received in our account. It is the practice of the Foundation to cash the shares immediately upon receipt.

**If you use the services of a self-serve brokerage such as RBC Direct Investing or Scotia iTrade, please contact us for assistance as transfer procedures differ from provider to provider.**



**Example:**

Lynn Williams decides to make a \$50,000 donation to the Foundation's capital 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**

	<b>Sell Shares, Donate Cash</b>	<b>Donate Shares in Kind</b>
Regular income for year 2022	\$75,000	\$75,000
Taxable capital gain at 50% (sale) or 0% (donation)	<u>23,750</u>	<u>0</u>
Total 2022 income	\$98,750	\$75,000
<b>2022 Income Tax</b>		
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>
<b>Income tax liability (excess credit)</b>	<b>\$1,300</b>	<b>(\$10,100)</b>

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

**ABOUT BRIGHTSHORES BRUCE PENINSULA HOSPITALS FOUNDATION:**

Bruce Peninsula Hospitals Foundation was incorporated in 1997. We strive to provide our physicians, nurses and technologists with up-to-date diagnostic and medical equipment to care for patients. With this ongoing challenge, our mission is to assist in meeting the health care needs of residents and visitors to the Bruce Peninsula by raising funds for priority hospital projects.

Our fundraising efforts support Brightshores Health System – Lion's Head Hospital, Wiarton Hospital plus regional care provided at other hospitals. With your generosity we can keep great health care close to home!

**PLEASE CONTACT:**

April Patry, Executive Director  
519-374-5885  
[apatry@brightshores.ca](mailto:apatry@brightshores.ca)

Willard VanderPloeg, Charitable Giving Advisor  
519-376-2121 x2736  
[wvanderploeg@brightshores.ca](mailto:wvanderploeg@brightshores.ca)

[www.bphfoundation.com/securities](http://www.bphfoundation.com/securities)



369 Mary Street,  
Warton ON, N0H 2T0  
Charitable # 88928 8049 RRO001

This information provides a brief overview on planning a gift to Brightshores Bruce Peninsula Hospitals Foundation. The information is general in nature and is subject to change according to individual circumstances. Always consult your own professional advisors for detailed information tailored to your situation and to confirm applicable tax benefits.