

CARING FOR TOMORROW

GIFTS OF SECURITIES



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

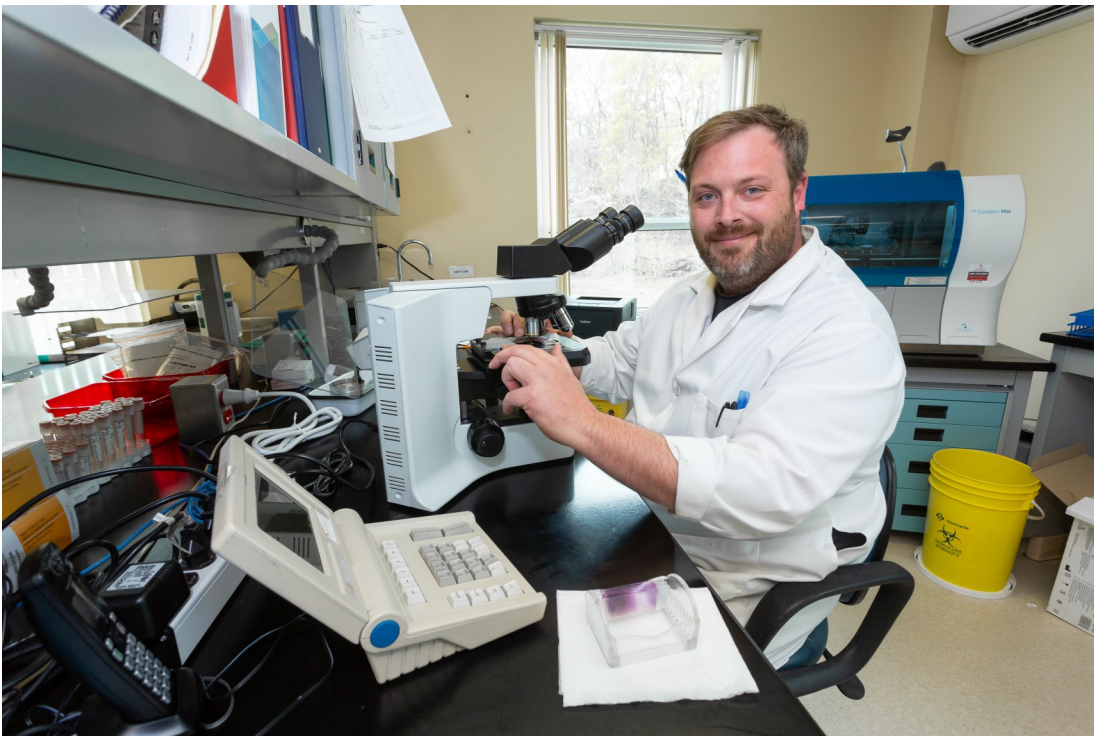
The de-mutualization of some of Canada's life insurance companies like Clarica, Sun Life Assurance Company, Manufacturers Life and Canada Life presents a unique opportunity for shareholders to make a special gift. The Foundation has been the recipient of a growing number of these types of gifts.

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.
- 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, please contact us for assistance as transfer procedures differ from provider to provider.



EXAMPLE:

Ms. Williams decides to make a \$50,000 donation to the Foundation's capital campaign. Her income for 2020 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.

Gift Cash vs Securities in Kind

	Sell Shares, Donate Cash	Donate Shares in Kind
Regular income for year 2020	\$100,000	\$100,000
Taxable capital gain at 50% (sale) or 0% (donation)	<u>23,750</u>	<u>0</u>
Total 2020 income	\$123,750	\$100,000
2020 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 Ms. Williams!

ABOUT US:

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 Grey Bruce Health Services' Lion's Head Hospital, Wiarton Hospital and our regional hospital in Owen Sound. With your generosity we can keep great health care close to home!



BRUCE PENINSULA HOSPITALS FOUNDATION

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This information provides a brief overview on planning a gift to Bruce Peninsula Hospitals 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 situation and to confirm applicable tax benefits.