



## Gifts of Publicly Listed Securities

*caring for tomorrow through planned giving*

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.

In 1997, Canada Revenue Agency created significant tax incentives for gifting such listed securities to charity. The 2006 federal budget totally exempted donations of publicly listed securities to charities from capital gains tax. Further, the budget also exempted donations of ecologically sensitive land made under the Eco-gift program from capital gains tax.

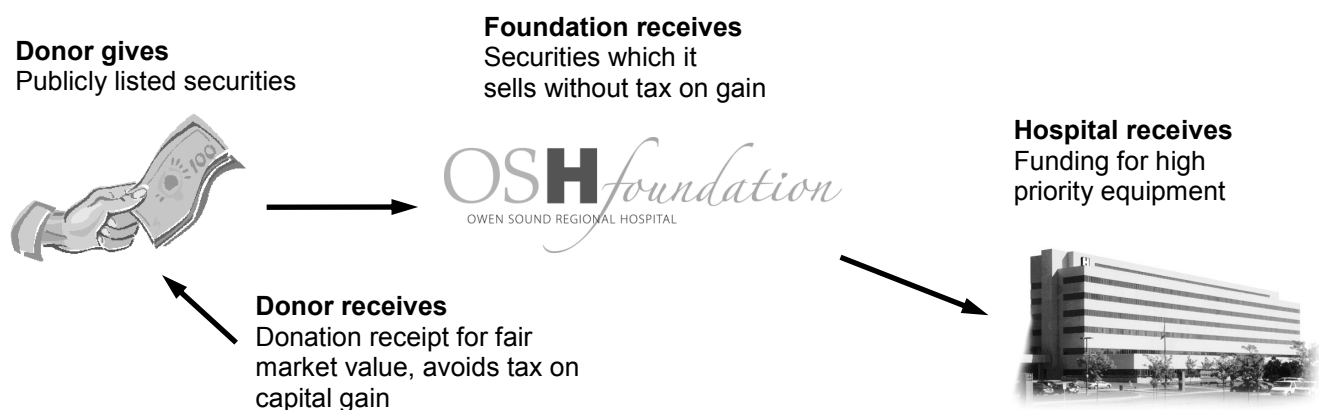
Donors are able to give such gifts during their lifetime and afterward - through their estate, depending on their circumstances and wishes.

The de-mutualization of some of Canada's life insurance companies also presents a unique opportunity for new 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 Appreciated 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 the Foundation, a receipt will be issued for the market value on the day of the transfer.



**Example:**

Ms. Williams decides to make a \$50,000 donation to the Foundation's capital campaign. Her income for 2009 is \$75,000. 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 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 2009	\$75,000	\$75,000
Taxable capital gain at 50% (sale) or 0% (donation)	<u>23,750</u>	<u>0</u>
Total 2006 income	\$98,750	\$75,000
<b>2009 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 Ms. Williams!***

**About the Foundation**

The Owen Sound Regional Hospital Foundation is a charitable organization that raises funds to support the purchase of medical equipment for Grey Bruce Health Services - Owen Sound Regional Hospital. A Board of Directors comprised of volunteers from the community governs the Foundation.

Our legal name is **Owen Sound Regional Hospital Foundation**. Our charitable registration number is **BN 124052507 RR0001**.

**Questions?**

If you have questions about giving a gift of publicly listed securities, please contact the Foundation office. All discussions are confidential.

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*This information provides a brief overview on planning a gift to the Owen Sound Regional 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.*