

PUBLICLY TRADED 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 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 beyond
- Irrevocable gift with more tax savings than cash gifts
- 100% elimination of capital gains taxation!
- CGHSF pays no tax on sale of the asset

Gifting securities is 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 the shares are received in our account. It is the practice of the Foundation to redeem shares immediately upon receipt.



Example:

Lynn Williams decides to make a \$50,000 donation to the Foundation’s capital campaign. Her income for 2024 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 2024 | \$75,000 | \$75,000 |
| Taxable capital gain at 50% (sale) or 0% (donation) | <u>23,750</u> | <u>0</u> |
| Total 2024 income | \$98,750 | \$75,000 |
| 2024 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 CENTRE GREY HEALTH SERVICES FOUNDATION

Centre Grey Health Services Foundation raises funds to support health care in our community. Our priority is the purchase of essential medical equipment at Brightshores Health System Markdale Hospital.

The Foundation is governed by a volunteer Board of Directors drawn from the area. This includes Grey Highlands and portions of Chatsworth, Southgate, and West Grey. There is a constant need for new and updated medical equipment at our hospital. In most cases, the Province doesn’t provide funding for such equipment. Our mission is to make sure that residents and visitors to Centre Grey will continue to have access to the best medical technology.

PLEASE CONTACT:

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**CENTRE GREY
HEALTH SERVICES
FOUNDATION**

Charitable Registration #: BN89063 4025 RR0001

This information provides a brief overview on planning a gift to Centre Grey Health Services 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.