ST. MICHAEL'S
HOSPITAL FOUNDATION

Tax-efficient Ways to Support St. Michael's Hospital Foundation

Gifts of Securities

Are you considering a donation to St. Michael's Hospital Foundation? Here are two great strategies that not only make giving easy but also help you reduce your after-tax costs. We suggest reviewing these strategies with your investment advisor to determine the optimal mechanism for you.

Strategy 1

Donate shares of publicly traded securities **DIRECTLY** from your personal, non-registered account—a process that provides a reduction in after-tax costs.

- You'll eliminate any tax on capital gains AND still receive the full donation tax credit.
- You can claim a tax credit for up to 75% of your income—and you can carry it forward for up to five years.

Here is an example. You donate shares with a market value of $150,000 that were purchased at a cost of $100,000.

	Sell securities and donate after-tax proceeds	Donate securities directly
Purchase Price of Securities	$100,000	$100,000
Current Market Value	$150,000	$150,000
Capital Gain	$50,000	$50,000
Capital Gains Tax*	$11,500	$0
After-Tax Donation Amount	$138,500	$150,000

*Assumes marginal tax rate of 46%. 50% of capital gain is taxable.

Note: New Alternative Minimum Tax (AMT) rules may result in some adjustments to these calculations.

30 Bond Street, Toronto, Ontario M5B 1W8 Canada
Charitable Business #122963663 RR0001
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Strategy 2

Donate shares of publicly traded securities **DIRECTLY** from your investment holding company (HoldCo)—another easy way to reduce your after-tax costs, without the worry about AMT calculations for corporations.

- You'll still eliminate any tax on capital gains AND get the full tax credit.
- You can claim that tax credit for up to 75% of your income—and carry it forward for up to five years.
- The full value of the capital gain on your donated shares gets added to the Capital Dividend Account (CDA).
- If you have cash or other assets you can sell, you can withdraw the value from your CDA tax-free, giving you tax-free income.
- You can reinvest those CDA withdrawals, lend them to your investment company, or use them to fund your priorities.
- Plus, from a tax-planning point of view, it reduces the value of your HoldCo, which could mean less tax to pay when you wind up your business or in case of death.
- **In short, this is a tax-effective and tax-efficient way to support a charity.**

Here is an example. Your HoldCo donates securities with a fair market value of $150,000 and adjusted cost base of $100,000.

	Sell securities and donate through HoldCo	Donate securities directly through HoldCo
Purchase Price of Securities	$100,000	$100,000
Current Market Value	$150,000	$150,000
Capital Gain (not subject to AMT)	$50,000	$50,000
Taxable Capital Gain	$25,000	$0
Amount Added to CDA	$25,000	$50,000

These options are general and for informational purposes only. They do not constitute legal or financial advice. We strongly encourage you to consult legal, financial or estate planning professionals before deciding to make a gift of securities.

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Donation of Securities Form

☐ Mr. ☐ Mrs. ☐ Mr. & Mrs. ☐ Ms. ☐ Dr.

First Name: _____ Middle Initial: _____ Last Name: _____

Are the shares/stocks/securities held by the company? ☐ Yes ☐ No

If yes, please provide company name: _____

Address: _____

City: _____ Province: _____

Country: _____ Postal Code: _____

Phone: _____ Fax: _____

Email: _____

Description of securities: _____ # of Shares: _____

Gift to be used for: _____ Estimated Value: _____

Donor's Broker Information:

Brokerage Firm: _____

Brokerage Account Number: _____

Broker Contact Name: _____

Telephone: _____ Fax: _____

Email: _____

AUTHORIZED BY: _____ **DATE:** _____

DONATION TO BE TRANSFERRED TO:
CIBC World Markets Inc.
Account Transfer Department
BCE Place, 161 Bay St., 10th Floor Toronto, ON M5J 2S8

DELIVERY INSTRUCTIONS:

CUID	WGDB5030
DTC#	5030
Dealer#	9280
Account Name:	St. Michael's and Providence Foundation
Account Number:	416-03212-14

Charitable Registration #122963663RR0001

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