

Pan Am Clinic Foundation

Gifts of Listed Securities

Current Canadian tax rules make it advantageous to gift certain publicly-listed securities to charity. The types of securities ("Listed Securities") which will benefit from these rules are listed below. The reason for this is that changes to the tax laws have effectively eliminated the tax on capital gains that arise when a person gifts Listed Securities which are capital property that has appreciated in value to a charity. In the past, when a donor gifted securities to a charity, a capital gain arose, one-half of which (or more recently one-quarter of which) was taxable to the donor. Under the new rules, no such tax is payable on the capital gain which arises when the donor gifts Listed Securities to a charitable organization or public foundation (effective May 2, 2006) or to a private foundation (effective March 19, 2007).

Gifts of the following securities will benefit from these rules

- Shares, debt obligations and rights listed on a designated stock exchange
- Shares of the capital stock of a Canadian public mutual fund corporation
- Units of widely held Canadian mutual fund trusts
- Interests in related segregated fund trusts
- Prescribed debt obligations

Benefits of donating appreciated securities to charity

- Donation receipt for fair market value of the securities on the date transfer is received.
- Transfers can be made at any time, including in your Will
- Donor's capital gains tax on the securities is eliminated
- Charity pays no tax on the sale of the securities

THE BENEFIT OF DONATING APPRECIATED SECURITIES IN LIEU OF CASH

Marginal Tax Rate:	46.4%	ACB of shares:	\$30
Donation amount to charity:	\$10,000	Price of shares:	\$50
		Cost basis of shares for comparison:	\$6,000

If you choose to donate from earned income, you have to earn more than your donation in order to pay the income tax on the earnings and have the final donation amount. You get most of the taxes you pay on the earnings back as a tax credit, however...

GIVING VIA EMPLOYMENT EARNINGS	
Cost of Earning \$10,000	\$14,640
<i>Donation Tax Credit</i>	
First \$200	\$52
Amount above \$200	\$4,547
Total Donation Tax Credit	\$4,599
Net cost of giving \$10,000	\$10,041

...many of us have shares in our brokerage accounts. Because of the tax savings in capital gains over income, giving by selling stock, withdrawing cash, and donating it to our favourite charities is quite a bit cheaper than giving directly out of earnings...

GIVING VIA SELLING STOCK	
Donation of \$10,000	\$10,000
ACB of shares	\$6,000
Capital Gain	\$4,000
Tax on Gain	\$928
Cost of Donation	\$10,928
<i>Donation Tax Credit</i>	
First \$200	\$52
Amount above \$200	\$4,547
Total Donation Tax Credit	\$4,599
Net cost of giving \$10,000	\$6,329

...if you are fortunate enough to have investments that have gone up significantly in price, giving to a registered charity by donating the appreciated shares directly is an even more efficient way to give to the charities that matter to you. In the extreme, it can be more than 40% less expensive to donate shares than to donate directly.

GIVING VIA DONATING STOCK	
Donation of \$10,000	\$10,000
<i>Donation Tax Credit</i>	
First \$200	\$52
Amount above \$200	\$4,547
Total Donation Tax Credit	\$4,599
Net cost of giving \$10,000	\$5,401

Net cost of giving \$10,000 including the tax savings on shares you would have wanted to sell anyway	\$4,473
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Amount you could donate to make the after-tax cost equal to \$10,000	\$22,447
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The purpose of this publication is to provide general information, not to render legal advice. In addition, any changes in the tax legislation may affect the examples listed in this information. You should consult your own lawyer or other professional advisor on how this may apply to your situation. Pan Am Clinic Foundation will be pleased to work with you and your advisors to maximize the benefit of any gift. Pan Am Clinic Foundation reserves the right to not accept certain securities (ie. securities not readily marketable or easily converted to liquid assets). For each security donated we ask that a minimum of \$500 be donated.



Pan Am Clinic Foundation *Listed Security Donation Form*

In order to complete the transfer;

1. Complete the requested Information on the form.
2. Provide copy of form to your investment advisor to initiate the transfer of securities to Pan Am Clinic Foundation's brokerage account.

Please see below for brokerage information. Pan Am Clinic Foundation uses RBC Dominion Securities as their broker.

To be completed by Donor

Name of donor: _____ Daytime telephone: _____

Address of donor: _____

Name of donor's Investment Advisor: _____ Advisor's telephone: _____

Name and address of delivering institution: _____

Account # at delivering institution: _____

Name of security: _____ # of shares / units transferred: _____

Approx. value of each share / unit: \$ _____ Approx. total amount of donation: \$ _____

Date of transfer: _____

This letter will serve as your authorization to release the securities noted above to the account of Pan Am Clinic Foundation. I understand that I will receive a tax receipt from Pan Am Clinic Foundation for the closing price of these securities on the date the transfer is received into Pan Am Clinic Foundation's brokerage account. These securities have been donated to Pan Am Clinic Foundation without restriction and can be sold by Pan Am Clinic Foundation at any time.

Signature of donor: _____ Date: _____

Pan Am Clinic Foundation will be pleased to work with you and your advisors to maximize the benefit of any gift. Pan Am Clinic Foundation reserves the right to not accept certain securities (ie. securities not readily marketable or easily converted to liquid assets). For each security donated we ask that a minimum of \$500 be donated.

Pan Am Clinic Foundation brokerage account Information:

RBC Dominion Securities
Broker: Samuel McLaughlin
Phone: 204-982-3967
Email: linda.mclaughlin@rbc.com
Account #: 783-28820-18 (DTC: 5002) (CUID: DOMA)