



# SickKids<sup>®</sup>

## Gifts of Securities

### Gifts of Securities

Gifts of securities are a cost-effective opportunity to transform an asset into immediate and significant support for benefit of The Hospital for Sick Children (SickKids). By donating appreciated stocks, mutual funds, stock options or flow through shares, donors pay no tax on the capital gains, receive a tax receipt for the fair market value of the securities, and reduce their taxes.

Through a gift of securities, you can help us to advance child health, both now and in the future.

### Why SickKids

As a world leader in paediatric health, SickKids is an exceptional place offering unparalleled patient care, research discoveries, and learning opportunities that are changing the field of child health. Through our integrated program of care, research, and education, SickKids ensures more children around the world have access to the diagnoses, treatments, and cures that can help them prevent, manage, and survive critical illness.

Our gift and estate planning team offers simple, flexible, and thoughtful options that help you attain financial benefits while enhancing the impact of your gift on child health.

### The Advantage of Donating Securities

A gift of appreciated securities is a worthwhile alternative to a cash gift. Flexible choices allow you to decide how you want to give, and the elimination of capital gains tax on gifts of appreciated securities provides you with a substantial tax incentive for donating stock.

#### The benefits of donating securities include:

- Satisfaction of seeing your gift put to good use today
- A charitable tax receipt
- No capital gains tax paid

Your choices when giving securities include:

- Giving immediately or as part of your will planning
- Donating part of your stock and retaining the remainder for personal use
- Employee stock options
- Flow-through shares

Saving Money while Saving Lives\*

For the past fourteen years, Bob and Susan have made an annual donation to SickKids. Inspired by the work the Hospital does in their community, Bob and Susan wanted to give a larger gift this year. They looked at their investments, and decided to sell some stock and donate the proceeds to SickKids Foundation. Before doing so, Susan contacted the SickKids Foundation gift and estate planning team and discovered the tax advantages of donating securities directly. Bob and Susan were delighted to learn that they would pay no capital gains tax on the appreciated value of their donated securities, receive a charitable tax receipt, all while supporting the life-saving work of the Hospital. In consultation with their financial advisor they donated \$50,000 in shares to SickKids Foundation.

Scenario: Gift of Appreciated Securities

	Sell shares and donate cash	Donate shares directly
Current value of shares	\$50,000	\$50,000
Amount paid for shares	\$10,000	\$10,000
Capital gains	\$40,000 <small>(\$50,000 current value - \$10,000 purchase price)</small>	\$40,000 <small>(\$50,000 current value - \$10,000 purchase price)</small>
Tax on capital gains	\$10,000 <small>(\$40,000 capital gains × 50% taxable gains × 50%**)</small>	\$0 <small>(no capital gains tax payable on donated shares)</small>
Tax credit	\$25,000 <small>(\$50,000 donation × 50%**)</small>	\$25,000 <small>(\$50,000 donation × 50%**)</small>
Net tax savings from donation	\$15,000 <small>(\$25,000 - \$10,000 tax on capital gains)</small>	\$25,000
Total tax savings from donation	\$15,000 <small>(\$25,000 tax credit - \$10,000 tax on capital gains)</small>	\$35,000 <small>(\$25,000 tax credit + \$10,000 in tax on gain not paid)</small>
Net cost of gift	\$35,000 <small>(\$50,000 gift - \$15,000 total tax savings)</small>	\$15,000 <small>(\$50,000 gift - \$35,000 total tax savings)</small>

\*Scenario for illustrative purposes only.

\*\*Assumes gift made in Ontario at a marginal tax rate of 50%.

Three Simple Steps

Donating a gift of appreciated securities is simple:

1. Determine with your financial advisor which investments will make the most philanthropic and financial impact.
2. Contact us and let us know you have made your gift.
3. Instruct your broker to transfer your securities directly to SickKids Foundation and complete our transfer form available online.