



Send for a free
gift-planning booklet

The MUHC Foundation's *Planning for a Healthy Legacy* booklet contains information on the many different ways you can support the McGill University Health Centre's vital research, patient care and teaching programs while ensuring that your family and estate are well looked after.

For a copy, please call
(514) 931-5656 or write to:
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2155 Guy Street, Suite 900
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The Gift Planner is published by the McGill
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Tax Changes

Make Donating Securities an Even Better Choice

For Joan Ivory, supporting the McGill University Health Centre (MUHC) has always been a priority. As a longtime hospital volunteer, MUHC Foundation board member and enthusiastic advocate for the MUHC's redevelopment project, Mrs. Ivory has spent years working to persuade others that building a world-class health care centre is an investment that will pay valuable dividends for years to come.

With this philanthropic spirit and penchant for long-term thinking, it is no surprise that when it came time for Mrs. Ivory to make her own contribution to the Best Care for Life campaign, she chose to make a gift of securities to the MUHC Foundation. By donating securities directly to the Foundation, Mrs. Ivory was able to minimize her tax burden and maximize the value of her gift to the MUHC.

At the time that Mrs. Ivory made her initial commitment, federal and provincial tax law stipulated that 25% of the capital gains that accrued on gifts of securities would be subject to taxation. In other words, not only would she receive a tax receipt for the fair market value of her gift, Mrs. Ivory would pay only half of the capital gains tax she would pay if she sold the securities and donated the profits (normally, 50% of capital gains on securities are taxable).

"For me, it was important that my gift to the Best Care for Life campaign be as generous as possible," Mrs. Ivory says. "The most advantageous way to do that was to donate a portion of my investments. Given my financial circumstances, it was obvious that giving securities directly to the MUHC Foundation, rather than selling stock and donating the proceeds, would allow me to make the greatest possible contribution to the MUHC."

Since Mrs. Ivory made her pledge, conditions for donating publicly traded securities have now gotten even better. As of this year, both levels of government have entirely eliminated the capital gains tax on securities gifted to registered charities. For Mrs. Ivory, this means that when she continues to fulfill her pledge through gifts of securities, the sole recipient of her generosity will be the MUHC — not the taxman.



Joan Ivory

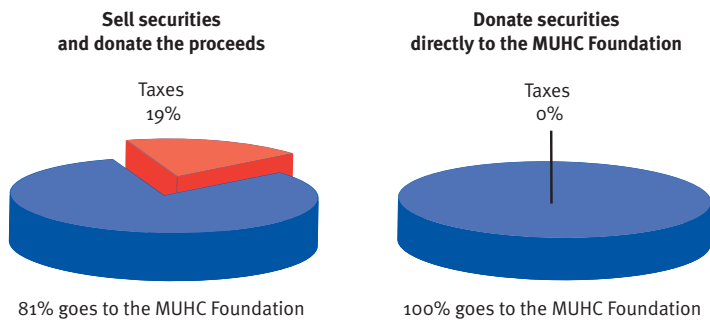
(continued on page 3)

PAY NO CAPITAL GAINS TAX

on publicly listed securities when you donate them to the MUHC Foundation

Why donate securities?

- Increase your current after-tax cash flow
- Diversify your stock portfolio in a tax-efficient manner
- Take control of your earnings: Give your money to your favourite charity rather than the government



Assuming that:

- You purchased \$2,000 worth of securities that are now worth \$10,000
- You wish to divest yourself of the securities and make a donation to the MUHC Foundation
- You are in the highest tax bracket (48%).

	SELL SECURITIES AND DONATE THE PROCEEDS	DONATE SECURITIES PRIOR TO 2006	DONATE SECURITIES TODAY
Value of Securities	\$10,000	\$10,000	\$10,000
Capital Gain	\$8,000	\$8,000	\$8,000
Taxable Capital Gain	\$4,000	\$2,000	0
Tax on Capital Gain	\$1,920	\$960	0
Tax Credit	\$4,900	\$4,900	\$4,900
Net Tax Savings	\$2,980	\$3,940	\$4,900
Total Cost of Donation	\$7,020	\$6,060	\$5,100

A gift of \$10,000 worth of securities to the MUHC Foundation today will cost you \$960 less than an identical gift would have cost under the old tax rules, and \$1,920 less than if you sold your shares and gifted the proceeds. Further, 100% of the value of the securities will go the MUHC Foundation.

Securities or cash from sale of securities — which should you donate?

It is Far Better to donate appreciated securities Directly to the MUHC Foundation than it is to donate the proceeds from the sale of securities.

If you sell securities, tax must be paid on 50% of the capital gain (the increase in value since you acquired the shares), whereas if you donate them, you will pay no tax on the increased value AND get a tax receipt in the amount of the full fair market value of the shares.

Better now than ever

Both the federal and provincial governments have eliminated taxation on gains on marketable securities gifted to public charities, allowing you to make a bigger gift, at a lower cost, while realizing greater tax savings, than ever before.

If you are interested in learning more about Gifts of Securities, complete and mail the response card or contact Yuri Mytko at 514-931-5656 or yuri.mytko@muhc.mail.ca

Second Annuity

Gives Bone Research a Boost

Regular readers of the *Gift Planner* may recall the inspiring story of the donor whose gift of a charitable gift annuity to the MUHC Foundation in 2004 has been funding important research aimed at helping scientists and clinicians understand why mutations in particular genes result in abnormal bone and metabolism development. Led by Dr. David Goltzman at the MUHC Bone Centre, researchers have used this donation to continue their important research into the mechanisms that cause such debilitating skeletal disorders as osteoporosis, bone cancer and hereditary hypophosphomatic rickets.

Now, thanks to this donor's extraordinary generosity, Goltzman and his colleagues can take their research to an even higher level. The supporter has recently increased his original contribution by establishing a second charitable gift annuity with the Foundation. Thanks to this supplementary gift, Goltzman has been able to add to

the expertise of the Bone Centre by recruiting Dr. Katerina Zajickova, a clinician-scientist who specializes in endocrinology and the genetics of metabolic bone diseases. Zajickova's work in identifying and categorizing mutations that can alter bone development will ultimately allow doctors to treat patients at earlier stages of their disease.

"This donor's kindness has made a tremendous impact on the research resources available to my colleagues and me," says Goltzman. "The fact that he has topped off his initial gift is a marvelous, unexpected surprise that will allow us to make great strides in calcium research."

In addition to helping Goltzman find new treatments for the millions of people afflicted by diseases of the skeleton, the donor's additional gift is adding to the tax-free income he already enjoys through his charitable gift annuity. With an annuity, a

portion of the donor's gift is immediately given to the MUHC to enhance patient care, teaching and research, while the remaining funds are used to purchase an annuity from an insurance company to pro-

"This donor's kindness has made a tremendous impact on the research resources available to my colleagues and me."

DR. DAVID GOLTZMAN

vide the donor with income payments for life. Donors immediately receive a tax receipt for the donation portion of their gift, while the annual income they receive can be all or mostly tax-free.

For this benefactor, charitable gift annuities have provided the opportunity to make an invaluable contribution to innovative research at the MUHC, while ensuring that his own financial future is secure.

Tax Changes (continued from page 1)

As Planned Giving Committee Chairman and RBC Investment Advisor John Archer explains, the changes to the tax code should mean a marked increase in the number of gifts of securities the MUHC Foundation can expect. "This initiative by the federal and provincial governments couldn't have come at a better time for the MUHC. The *Best Care for Life* campaign is just beginning to take off. The elimina-

tion of the capital gains tax on the gifting of publicly traded securities is a boon to the fundraising industry as a whole, and already we're beginning to see the benefits."

One supporter who decided to capitalize on this change is Bob Gainey, General Manager of the Montreal Canadiens. For Gainey, a longtime supporter of the MUHC through the Cedars Cancer Institute, the decision was cut and

dried. "I asked my accountant and he told me that this was clearly the best choice for me and for the MUHC." No matter the size of your donation, making a gift of securities to the MUHC is a smart decision for your investment portfolio, your tax bill and for the patients and families who will benefit from more of your generosity than ever before.

RECEIVE GUARANTEED INCOME FOR LIFE

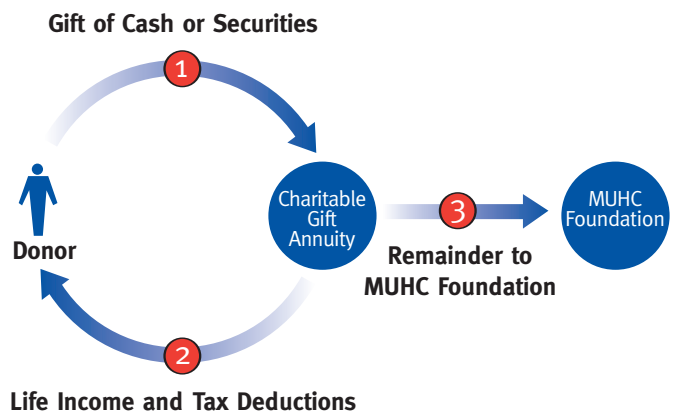
By making a gift to the MUHC Foundation
through a Charitable Gift Annuity

What is a Charitable Gift Annuity?

A Charitable Gift Annuity is a contract between a donor and a charity in which the donor transfers assets to the charity and the charity agrees to pay a specified sum of money each year to the donor, for a fixed period (usually life).

What are the advantages of a Charitable Gift Annuity ?

- Charitable Gift Annuities are investment vehicles that offer the same security as GICs, but with better cash flow.
- Not only will you receive a tax receipt for the donation portion of your gift, the annual income you receive from the annuity can be all, or largely, tax-free.



Charitable Gift Annuities might be right for you if:

- The interest on the majority of your investments is fully taxable
- You are in need of a regular income stream
- You are looking for an alternative to GICs

SAMPLE RATES FOR A \$100,000 GIFT ANNUITY ON A SINGLE LIFE

	Male			Female		
	Age 65	Age 75	Age 85	Age 65	Age 75	Age 85
Annuity Payout Rate*	5.9%	8.6%	13.6%	5.2%	7.6%	12.5%
Annual Payment to Donor	\$5,982	\$8,191	\$12,265	\$5,335	\$7,225	\$11,245
After Tax Cash to Donor	\$5,328	\$7,780	\$12,265	\$4,664	\$6,827	\$11,245

* Based on net cost of gift to donor

If you are interested in learning more about Charitable Gift Annuities, complete and mail the response card or contact Yuri Mytko at 514-931-5656 or yuri.mytko@muhc.mail.ca