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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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Year-End Planning

Philanthropy and tax savings go hand in hand

As the end of the year approaches, many of us are thinking about how best to support the charitable causes we value while also engaging in prudent financial planning. Here are some tips to help you understand how a planned gift to the McGill University Health Centre Foundation can make a meaningful contribution to the good health of our community, while also easing your end-of-year tax burden.

Good planning means tax savings

For many of us, the holidays are a hectic season when financial planning can seem like the least pressing of our priorities. In order to make the most of the tax advantages of a charitable gift, it is important to start early and take the time to discuss with your financial advisor what giving strategy will work best for you. Our MUHC Foundation Planned Giving experts are also available to get you started before the year-end deadline looms.

Gifts of cash: tax-wise and simple

Giving an outright gift to the MUHC Foundation is the most straightforward way to reduce your tax burden and support the best care for life. Canadian donors are entitled to a non-refundable 15.50% federal tax credit and a 20% Quebec provincial tax credit on the first \$200 donated to a reg-



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istered charity and a 24% tax credit on any donations above that amount. Donations can now represent up to 75% of a taxpayer's net income; this new ceiling is designed to encourage larger donations.

Gifts of Securities: more attractive than ever

Thanks to recent changes to the federal and provincial tax law, gifts of publicly listed securities are now exempt from capital gains tax. In other words, your gift of securities offers a two-fold tax savings: first, you avoid the 50% capital gains inclusion rate to which appreciated stocks are normally subject, and second, you receive a charitable tax deduction representing the full market value of the stock at the time of the gift. In order to capitalize on this capital gains exemption, it is necessary to gift the

securities directly: if you sell them and donate the proceeds, you will still have to pay the capital gains tax.

Gifts of Life Insurance: a good policy for giving

A gift of life insurance can provide a significant year-end tax deduction, and gives you the chance to give a larger gift over time than you might be able to afford as a one-time donation. You can purchase a new policy and gift it to the MUHC Foundation or you can sign over a policy that you no longer need. To receive a deduction, designate the Foundation as both the owner and beneficiary of the life insurance policy. Contact us or speak to your insurance agent for more details on this interesting giving strategy.

Donating BCE stocks saves money and headaches as privatization looms



As many of you are aware, BCE (Bell Canada Enterprises) Inc., the company representing the most widely held stock in Canada, is almost certain to be privatized. For the thousands of Canadians who hold BCE shares in their personal portfolios, this will mean disposing of their shares, which will be subject to capital gains calculated on the difference between the original value of their stock and the final, privatization price. As BCE shares have jumped 42 per cent with news of the sale, this could mean a significant tax burden for many investors as they file their taxes in April of 2009. Some investors may see their net income reach the level at which they would lose some or all of their old age security benefits.

In addition to the tax burden, BCE shareholders will need to document the value at which their stock was originally purchased; not an easy proposition according to John Archer, investment advisor with RBC Dominion Securities and Chair of the MUHC Foundation's Planned Giving Committee. "Determining the original value of the shares for tax purposes could be a headache for any investor who has owned BCE stock for a long time, particularly for those with reinvested dividends, or for those who hold the shares in certificate form. Investors who have moved their account from one firm to another or who have held the stock in different accounts are up for a real challenge."

Fortunately, you can save yourself a headache and the capital gains tax by donating your BCE shares directly to the MUHC Foundation. You receive a tax receipt for the full value of the shares, you will avoid any capital gains tax and you will be spared the burden of unearthing the original, documented purchase value of your stock.

"It's a win-win situation," adds Gavin Wyllie, Legal Advisor to the MUHC's Planned Giving Committee. "You will be making a gift that will benefit thousands of Montrealers while saving on your taxes and avoiding a mountain of paperwork."

Act soon: once the sale is complete, it will be too late. A simple call to your broker stating, "I wish to contribute my BCE shares to the MUHC Foundation" will get the process started. For more information on donating your BCE shares to the MUHC Foundation, contact Yuri Mytko at 514.931.5656, or at yuri.mytko@muhc.mcgill.ca.

For other end-of-year giving ideas, contact the Foundation at 514.931.5656, or visit our web site at www.muhcfoundation.com/plannedgiving

YOU CAN AVOID BOTH THE HEADACHES AND THE CAPITAL GAINS TAX BY DONATING YOUR BCE SHARES DIRECTLY TO THE MUHC FOUNDATION