



# Gifts of Publicly Traded Securities in your Will or during your lifetime

Depending on your personal circumstances, another tax efficient way to give is through a gift of publicly traded securities.

Securities are also frequently referred to as stocks, shares, mutual funds or exchange traded funds (ETFs). For example, common securities donated by Islanders to the QEH Foundation include Fortis, BCE and also several of Canada's big banks.

Many of these securities have appreciated significantly, which will result in taxable capital gains when sold. By donating those securities to the QEH Foundation, you will completely eliminate taxes on the capital gains.

Another situation may be that you received free shares several years ago from a life insurance company because you owned an insurance policy. These are ideal securities to donate because their full value is treated as a capital gain.

Please see the table below for the summary of the many benefits of donating securities instead of selling the securities and giving cash.

## Tax Benefit of Transferring Shares

The following summary illustrates the advantages of donating securities as opposed to selling securities and giving cash:

	Sell Shares & Donate Cash to the QEH	Transfer Shares directly to the QEH
<b>Value of Donation</b>	\$100,000	\$100,000
<b>Original Cost</b>	\$10,000	\$10,000
<b>Capital Gain</b>	\$90,000	\$90,000
<b>Taxable Capital Gain</b>	\$45,000	\$0
<b>Tax on Capital Gain</b>	\$21,317	\$0
<b>Donation Tax Credit</b>	\$47,370	\$47,370
<b>NET TAX SAVINGS</b>	<b>\$26,053</b>	<b>\$47,370</b>

**Assumptions:** The donor wishes to make a gift of \$100,000 of publicly-traded securities.  
The donor's total income is sufficient to claim the full donation.  
The adjusted cost base of the securities is \$10,000.

Marginal tax rate of 47.37% (PEI).  
The donor has other donations of at least \$200.

Securities left in your estate to children with taxable income will result in the tax on 50% of the gain. Securities left to the QEH Foundation will result in full charitable tax value and no capital gains. If you plan to donate, consider securities with capital gains to save even more tax.