

# ABOUT the Gatineau Health Foundation

We are the largest philanthropic organization in the Outaouais region and one of the 10 largest foundations working with hospitals in Québec. The **Gatineau Health Foundation** relies on the generous financial support of more than 80,000 donors. Every year, the **Gatineau Health Foundation** donates over \$3 million to the CISSS de l'Outaouais by organizing various fundraising activities and charitable events, as well as running annual, major and planned giving programs. This significant contribution funds medical equipment purchases, numerous prevention programs and the implementation of priority investment projects.

**Our Mission:** Raise funds to achieve a positive impact on the well-being and health of the Outaouais community, in partnership with the Centre intégré de santé et de services sociaux de l'Outaouais.

**Our Beneficiary:** The Centre intégré de santé et services sociaux (CISSS) de l'Outaouais was created on April 1<sup>st</sup>, 2015. It was born from the integration of five Health and Social Services Centres (CSSS): Gatineau, Pontiac, des Collines, Vallée-de-la-Gatineau and Papineau, in addition to the La RessourSe physical disability rehabilitation centre; the Pavillon du Parc intellectual disability and pervasive developmental disorder rehabilitation centre; the CRDO addiction rehabilitation centre; and the Centres jeunesse de l'Outaouais, as well as the Agence de la santé et des services sociaux de l'Outaouais

Thanks to the competence, commitment and pride of its staff, doctors, midwives and partners, the CISSS de l'Outaouais strives to improve the health status of the population.

## Sectors of Activity:

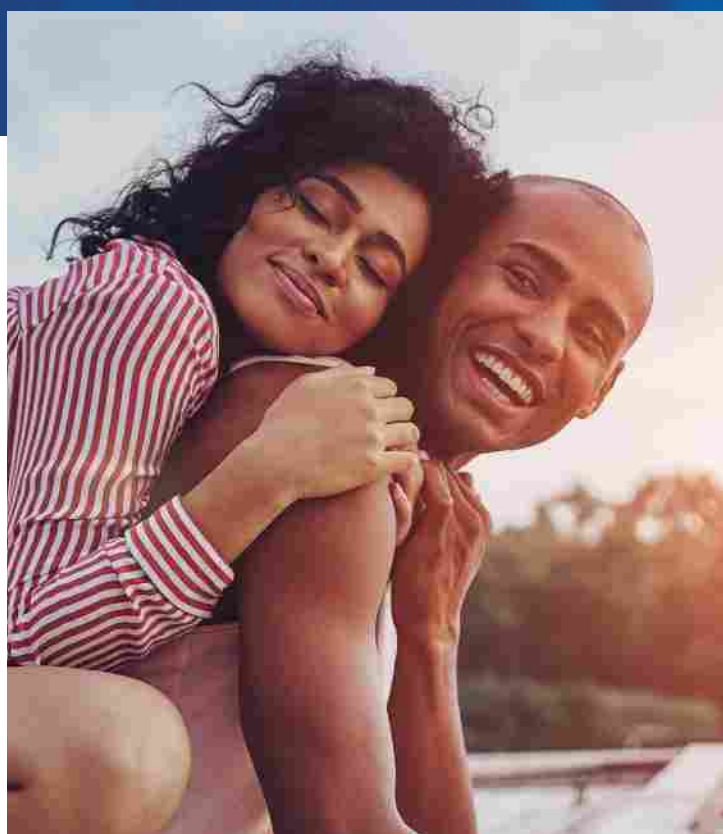


# HAVE YOU EVER THOUGHT ABOUT PLANNING A DONATION?

Strategic gift planning is a targeted and strategic financial approach designed to optimize a donation's impact, both for the donor and for the **Gatineau Health Foundation**.

Gift planning encourages donors to reflect on the legacy they will leave behind. Professional gift planners and advisors working in the fields of financial planning, accounting, law and insurance can help you with the strategic planning of your donations to the **Gatineau Health Foundation**.

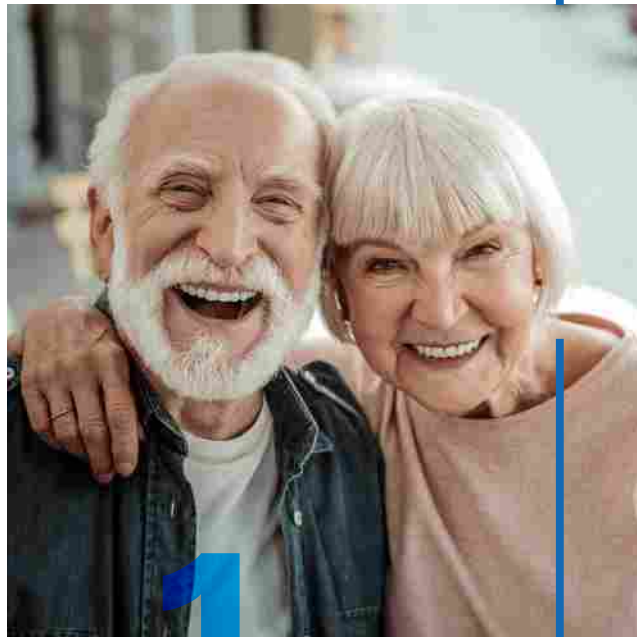
Planned giving can take many forms to better reflect your philanthropic aspirations or your family and fiscal situations. This practical guide will help you learn about the options available to you.



## TYPES OF PLANNED GIFTS:

1. Gift by will;
2. Life insurance gift;
3. Real estate gift;
4. Gift of securities;
5. Charitable annuity;
6. Endowment fund.

## Gifts by Will



*A simple and accessible way to plan a gift.*

- Specific bequest (for a precise amount or specific property);
- Universal legacy or legatee (for all or part of the estate's value);
- Designation of a subsidiary in case the first legatees predecease;
- Universal legacy;
- Designation of a beneficiary for a retirement savings plan, a pension fund or a life insurance policy.

### **BENEFITS:**

- Tax credits worth approximately 50% of the donation's value;
- The liquidator may use the donation's receipt for up to 100% of net income in the year of death and the previous year, if there is a surplus.

## Life Insurance Gift

- The assignment of an existing policy;
- The purchase of a new policy;
- The designation of the **Gatineau Health Foundation** as a beneficiary of the death benefit.

### **BENEFITS:**

- Protects the heirs' heritage;
- Significant tax savings;
- Allows for a large donation without having to pay immediately.



# 3



## Real Estate Gift

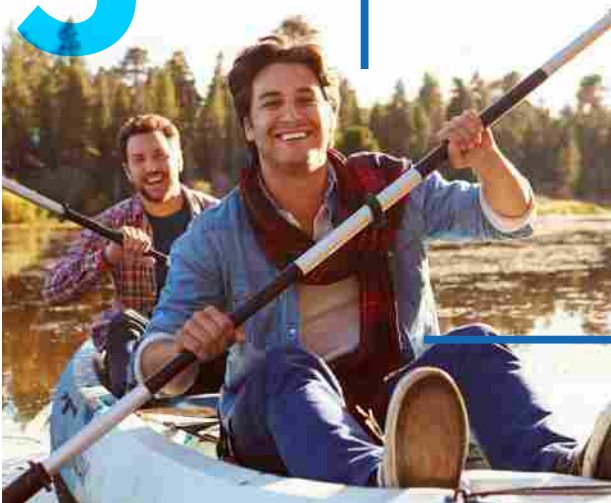
You can donate your family home while still enjoying its use for the rest of your life. You will receive a tax receipt for the expected value of your property at the time of donation. Upon your death, the **Gatineau Health Foundation** will recover the use of this residence. If the donation is a secondary residence, 50% of the earnings are taxable. However, the tax credit will exceed the tax on the earnings, resulting in a net tax savings.

## Gift of Securities

The donation of publicly traded securities, bonds, mutual fund units and other similar securities is one of the most tax-effective ways to make a large gift. There are no taxes on capital gains resulting from the disposal of eligible securities donated directly to the **Gatineau Health Foundation**.



# 5



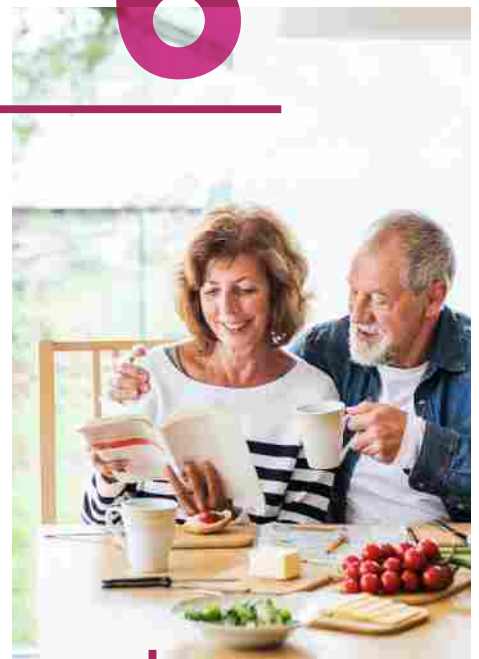
## Charitable Annuity

Donations made through a lifetime annuity consist of a cash donation in exchange for a guaranteed income for life or for a set period of time. Charitable gift annuities allow donors to make a donation during their lifetime without compromising their financial security.

# 6

## Endowment Fund

An endowment fund is created by transferring a substantial amount to the **Gatineau Health Foundation** and designating a specific cause to which the income generated by the transferred capital will be donated. The terms and conditions for creating such a fund are set out in a contract between the **Gatineau Health Foundation** and the donor. Conditions may apply to meet CRA standards. The **Gatineau Health Foundation** will manage the capital and provide you with an annual report explaining all the relevant financial information.



# PLANNED GIFTS

## Gift by Will

After making sure his or her family and loved ones are well taken care of, a donor may opt to inscribe a significant donation to the **Gatineau Health Foundation** into his or her will. In the event of major life changes, the donor can always modify the will according to his or her situation.

Gifts by will reduce the taxes payable upon death and confer non-refundable tax credits worth nearly 50% of the value of the donation. The liquidator will be able to use the receipt obtained for this donation to cover up to 100% of the net income for the year of death and the year prior, if there is a surplus. When including a donation in your will, be sure to correctly name the beneficiary. Here are some examples of testamentary provisions: I bequeath \$100,000 to the **Gatineau Health Foundation** to support its mission OR I bequeath my entire estate to the **Gatineau Health Foundation**, after payment of debts and specific legacies OR I bequeath all of my movable and immovable property to the **Gatineau Health Foundation**, after payment of debts and specific legacies OR I bequeath all of my movable and immovable property to the **Gatineau Health Foundation**.

In the example below, a donor bequeaths his cottage to the **Gatineau Health Foundation**. The cottage, initially bought for \$50,000, is worth \$100,000 at the time of death. Half the capital gain, i.e. \$25,000, will be counted as revenue for the previous year, even if the property has not in fact been sold. This is a deemed capital gain. This gift by will entitles the donor to a receipt for the value of the property at the time of death, up to 100% of the deceased's net income. This makes this type of gift highly beneficial, since the tax credits associated with this deemed disposition, which can scale up to \$58,750 depending on taxable income, can eliminate tax liabilities (which could amount to \$13,325, assuming the tax rate is 53.31%) and reduce the estate's tax burden.

### VALUE OF THE COTTAGE



**\$100,000**  
(bought for \$50,000)



### DONATION



**GATINEAU  
HEALTH  
FOUNDATION**

Half of the capital gain  
(\$25,000) recorded in  
income for the last year



### TAX SAVINGS



**\$13,325**  
(Assuming  
a 53.31% tax rate)

# PLANNED GIFTS

## Life Insurance Gift

A life insurance gift can be made by assigning an existing policy, purchasing a new policy or designating the **Gatineau Health Foundation** as the beneficiary of the death benefit.

This type of gift allows for a large donation to be made in several small payments over time while also offering substantial tax credits. As an added benefit, it does not affect the heirs' estate.

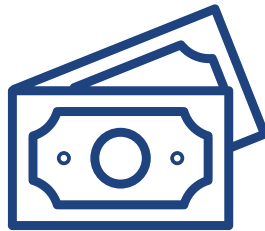
In the example below, a **\$100,000** gift to the **Foundation** would only cost the donor **\$11,000**, spread over 10 years of payments.

### INSURANCE POLICY



**\$100 000**

### COST OF THE POLICY



**\$22 000**

(Annual premiums of \$2,200 over 10 years)

### COST AFTER TAX CREDIT



**\$11 000**

(Assuming a tax credit of about 50%)

Source: *Leave a Legacy* (Canadian Association of Gift Planners); and *L'Arbre de Georges* (Alain Lévesque)  
\* Tax and interest rates are estimated and rounded for demonstration purposes only.

# PLANNED GIFTS

## Real Estate Gift

You can donate a primary or secondary family residence to the **Gatineau Health Foundation** while retaining its use for the rest of your life.

The **Gatineau Health Foundation** will assess the real estate gift's compliance with its donation acceptance policies and draw up the appropriate documentation.

You can choose to donate the property immediately or retain its use during your lifetime and donate it afterwards as part of your estate planning.

### REAL ESTATE GIFTS OFFER SEVERAL TAX BENEFITS:

- When you make a real estate gift that comes into effect immediately, a donation receipt is issued for the property's fair market value, as determined by a qualified appraiser.
- If the property is sold and the proceeds are donated, a receipt is issued for the amount of the donation.
- If the gifted property is the donor's principal residence or certified ecologically sensitive land, there is no tax payable on capital gains.
- If the donation is a secondary residence, 50% of capital gains are taxable. However, the tax credit will exceed the tax on the capital gains, resulting in net tax savings.

In the example below, the donor bequeaths a principal residence valued by a qualified appraiser at \$400,000 to the **Gatineau Health Foundation**, and continues to use it until his or her death. A tax receipt is then issued for the expected value of the property at the time of the donation, i.e. \$400,000. Upon the donor's death, the **Gatineau Health Foundation** assumes ownership of the residence.

#### DONATION OF THE RESIDENCE



**\$400 000 value**  
(As determined by a qualified appraiser)

#### USE OF THE RESIDENCE



The donor continues to use the residence for the rest of his life.

#### TAX RECEIPT



Expected value of the donation (\$400,000)

#### CAPITAL GAINS



**No taxes**

# PLANNED GIFTS

## Gift of Securities

The donation of publicly traded securities, bonds, mutual fund units and other similar securities is one of the most tax-effective ways to make a large gift.

In the example below, the donor holds **\$10,000** of shares for which **\$2,000** had originally been paid. The donor will thus benefit much more by transferring them directly to the **Gatineau Health Foundation** rather than selling them.



	Proceeds from the sale of securities	Gift of securities to the Gatineau Health Foundation
<b>GIFT VALUE</b>	<b>\$10,000</b>	<b>\$10,000</b>
<b>TAXABLE CAPITAL GAIN</b>	\$4,000 (\$8,000 gain x 50%)	N/A
<b>TAX ON GAIN</b>	(\$2,000)	N/A
<b>TAX CREDIT (50%)</b>	\$5,000	\$5,000
<b>TAX SAVINGS</b>	\$3,000	\$5,000
<b>COST OF THE DONATION</b>	<b>\$7,000</b>	<b>\$5,000</b>

Source: Leave a Legacy (Canadian Association of Gift Planners); and L'Arbre de Georges (Alain Lévesque)  
\* Tax and interest rates are estimated and rounded for demonstration purposes only.



# PLANNED GIFTS

## Charitable Annuity

Donations made to the **Gatineau Health Foundation** through a lifetime annuity consist of a cash donation in exchange for a guaranteed income for life or for a set period of time.

In the example below, a \$50,000 gift to the **Gatineau Health Foundation** allows the donor to make his donation during his or her lifetime while **benefitting from increased income** and **protecting his or her estate's capital**, compared to an investment in a GIC with an annual return of 3% (\$6,000) and a net income of \$3,000 (tax rate of 50%).



**\$200,000** in liquid assets

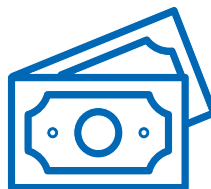


**\$175,000** in liquid assets  
(Including 50% tax credit / \$25,000)



GATINEAU  
HEALTH  
FOUNDATION

**\$50,000** gift



Life annuity of **\$75,000**  
Gross income: \$5,500  
Taxable portion: \$100  
Tax: \$50 (50%)  
**Net income: \$5,450**



**\$200,000** life insurance  
policy purchased for  
\$100,000

*Source: Leave a Legacy (Canadian Association of Gift Planners); and L'Arbre de Georges (Alain Lévesque)  
\* Tax and interest rates are estimated and rounded for demonstration purposes only.*

# PLANNED GIFTS

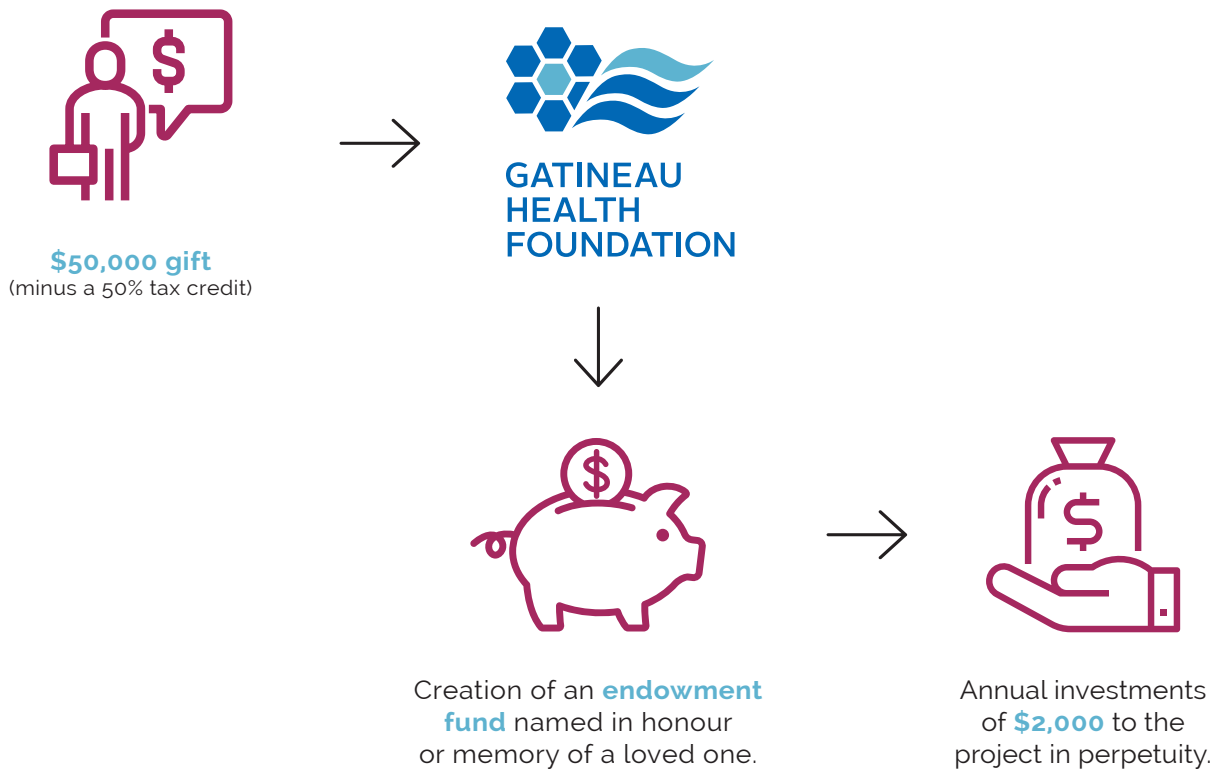
## Endowment Fund

An endowment fund is created by transferring a substantial amount to the **Gatineau Health Foundation** and designating a specific cause to which the income generated by the transferred capital will be donated.

You can choose the name of the fund yourself to perpetuate the memory of a loved one.



In the example below, a donation of **\$50,000** entitles the donor to a substantial tax credit and allows the **Gatineau Health Foundation** to make ongoing investments of **\$2,000** in the donor's chosen project.



*Source: Leave a Legacy (Canadian Association of Gift Planners); and L'Arbre de Georges (Alain Lévesque)  
\* Tax and interest rates are estimated and rounded for demonstration purposes only.*