



YOUR Legacy

Issue 2, 2013

Profile: Eileen Mason

For people with generous hearts, there's more than one way to build a family. That's certainly true for long-serving hospital volunteer Eileen Mason. "Everyone knows me here," she says. "They all smile and say hello when I come in. That's pretty nice. It's a community for me."

Nearly fifty years of volunteering – beginning with the fundraising lunches that helped raise money for construction –forged deep bonds between Eileen and her community hospital. She knows it inside and out, and has served it longer than almost anyone else, staff or volunteer.

Eileen helped to make sure that Rouge Valley Centenary Hospital was built. For decades, she has given her time, energy and financial support to help it succeed. That's why it was easy for her to make the decision to support Rouge Valley Health System Foundation even beyond her own lifetime, with a gift in her Will.

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Tax-effective giving

Gifts of publicly listed securities: providing a gift of support while reducing your taxes



“By donating your publicly listed securities directly to a charitable organization such as Rouge Valley Health System Foundation, you can realize your gain without having to pay taxes.”

Seeing your stock, bond or mutual funds grow should be a good thing. Unfortunately, when you cash in any of these investments they become a form of taxable income. Often this means that people decide to hold on to these investments. They are caught on a seesaw between wishing to benefit from their patient, sound investment strategy and the reality of paying taxes.

There is a way you can minimize the financial impact this may have while benefiting from tremendous tax incentives. By donating your publicly listed securities directly to a charitable organization such as Rouge Valley Health System Foundation, you can realize your gain without having to pay taxes. You will also receive a tax receipt for the gift that you make.

Giving reduces capital gains tax

Today there is no capital gains tax to be paid if you make a gift of appreciated securities to a registered charitable organization. When donating a gift of securities directly to a charity the entire capital gain is eliminated. This means that there is no need to calculate the reportable capital gain, and the tax credit the gift triggers can offset other income tax that you may be obligated to pay.

The types of investments that qualify include shares,

bills, warrants, mutual funds and futures that are listed on stock exchanges. Also included are RRSPs, RRIFs and pension plan benefits.

Tax effective giving

This type of donation means substantial benefit to you and the charity you wish to support, but should be carefully considered after you have spoken with your financial advisor.

Tips on donating publicly listed securities

If you give the security directly to the charity, capital gains are eliminated. The fair market value of your security is based on the closing market price on the day that it is given. That day is not always easy to determine. You may believe it is the day you signed the certificate on your stock, but the law requires charities to base the value of the receipted gift on the market value of the stock the day they receive it. Most stock transfers are carried out electronically and often received on the same day they have been gifted.

Everyone wants to invest money wisely. It makes sense to take the same care to decrease the impact of taxes. The tax incentives for donating securities have increased, but you should still seek financial advice to determine if donating a security is the best option for you.



4 Easy Steps to a bequest



The steps to create a bequest gift are easy and, when done properly, can help to ensure your loved ones are cared for, your estate is protected and the gift you wish to make is secure.

STEP 1: Make the decision that creating a bequest gift is the right step for you to take, and decide what kind of gift you wish to make (either a specific amount of money or a percentage of your estate - your financial professional can help with this step).

STEP 2: Use the legal written name of Rouge Valley Health System Foundation.

STEP 3: Call your lawyer and request that they add a codicil to your will that establishes a gift

for Rouge Valley Health System Foundation. Give your lawyer the legal written name, and then your lawyer will handle the remaining details. Many lawyers will prepare this codicil without cost. Note: if you don't have a lawyer, we can direct you to how to use the Law Society's legal referral service to find one.

STEP 4: If you feel comfortable, contact us to let us know when your gift has been created. This will allow your name to be added to our list of donors who are remembering Rouge Valley Health System Foundation in their estate plan, and give us an opportunity to say 'thank you.' It will also allow us to ensure we understand how you want your gift to support the Hospital's work.

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She's been a patient as well. From her two six-week hospital stays, she recalls excellent care from doctors and nurses who weren't just knowledgeable but pleasant. "We have excellent staff at the hospital, and we must support them with up-to-date equipment," she states. "You never know when you're suddenly going to need care. Why not help if you're able to?" And anyone can do what Eileen Mason has done: include a bequest to Rouge Valley Health System Foundation in their Will. The amount doesn't matter - every gift makes a difference. What matters most is your commitment to the hospital's future. With the tax benefits of a properly structured gift in your Will, your lawyer and financial advisor can help you set up that bequest while still being as generous as you had hoped to your other heirs.

The final word belongs to Eileen. "You're likely going to need a hospital before the end of your life," she comments. "So support our local hospital."

If you have made, or are considering a bequest in your Will, we encourage you to inform us so that your generosity may be recognized. This is a way for us to honour the commitment of donors who have made a planned gift of support to the Rouge Valley Centenary hospital through a bequest, insurance or trust arrangement.



Looking for an alternative to bequests? Think of a gift of a registered retirement fund

Your Registered Retirement Savings Plans (RRSPs) or Registered Retirement Income Funds (RRIFs) can be used to create a gift for the future benefit of Rouge Valley Health System Foundation as an alternative to a bequest gift in your will.

When you pass away, the total value of the funds in your registered retirement account must be reported as income. This income is fully taxable to your estate unless funds in the registered account can be rolled over to a surviving spouse or a dependent child.

The other alternative is to make a charity such as Rouge Valley Health System Foundation the beneficiary. This will allow for the gift to remain outside the estate, reducing probate fees while creating a gift that will provide a tax receipt that can offset other taxes on the estate.

Making the best decision

Knowing yourself and your circumstances is key to choosing between a RRIF and an annuity. Are you a good investor? Will you be capable of prudent investment decisions in your later years? Do you

need to provide for other family members? If you suffer poor health, a self-directed RRIF may be out of the question.

In any case, it's wise to seek out one or more financial advisors who can best determine whether a RRIF or annuity is best for you, what kind you should choose, and where you can obtain the best rate of return.

Making a gift of registered retirement funds can benefit you by:

- Providing a tax receipt resulting in a tax credit that will help to offset taxes levied on your estate;
- Providing relief from probate fees that would have to be paid if the investments passed through the estate;
- Providing an easy way to make a no-cost future gift to Rouge Valley Health System Foundation.

For more information about making a charitable gift to Rouge Valley Health System Foundation, please contact Mary Slavik using the contact information below.

For more information please contact



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