

# CHARITABLE GIFT ANNUITY



## WHAT IS A CHARITABLE GIFT ANNUITY?

With a charitable gift annuity, you receive a guaranteed income for life or for a fixed period in addition to making a cash donation to the Fondation Hôpital Charles-LeMoynes.

After determining the amount of capital available and the desired annuity, an agreement is established between you and the Foundation. The Foundation agrees to purchase an annuity from an insurance company or trust company. This annuity can be paid to you or to a person you designate. In accordance with Canada Revenue Agency (CRA) standards, the amount used to purchase the annuity cannot exceed 80% of the capital remitted to the Foundation. The difference represents the donation for which you will receive an income tax receipt.

## WHAT ARE THE ADVANTAGES FOR YOU?

- Your annual income is maintained or even increased.
- The investment income is guaranteed for the duration of the annuity (fixed period or for life, depending on what you choose).
- The annuity is entirely or largely tax-free.
- You have no management responsibilities.
- You receive a tax receipt corresponding to the amount of the donation, that is, the difference between the initial capital contribution and the cost of purchase of the annuity.

## FOR WHAT TYPE OF DONOR?

This option is particularly attractive for anyone 65 years of age or over, with a conservative investor profile.

## A PLANNED GIFT

**SO THAT  
YOUR GENEROSITY  
LIVES ON**

PLANNING A CHARITABLE  
GIFT ANNUITY IS ABOUT  
DEFINING WHAT YOU  
HOLD DEAR, MAKING  
DECISIONS AND TAKING  
STEPS TO ENSURE THAT  
YOUR GENEROSITY HAS  
A LASTING LEGACY!

QUESTIONS?

CONTACT US

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## EXAMPLE OF A CHARITABLE GIFT ANNUITY

Raymond, 70 years old, has a sum of \$500,000 and would like to make a big donation immediately without impacting his quality of life. He compares investing in a charitable gift annuity with investing in a fixed-interest security (4%).

	Fixed-interest security	Charitable gift annuity
Capital	\$500,000	\$400,000
Income	\$20,000	\$24,280
Taxable portion	\$20,000	\$450
Tax payable	\$10,000	\$225
Net income	\$10,000	\$24,055
Donation	\$0	\$100,000
Charitable donation tax credit (can be amortized over 5 years)	\$0	\$50,000

Note: The calculations in this example have been simplified for demonstration purposes. The charitable donation tax credit and tax payable were rounded off to 50%. Fondation Hôpital Charles-LeMoyne does not give financial or legal advice. The examples provided are for illustrative purposes only. We encourage you to consult your financial or legal advisor to make sure that the option you choose takes into account your particular situation.

