



## Charitable Annuities

With a charitable gift annuity you contribute an immediate gift to the PRHC Foundation in exchange for a guaranteed income for life. This vehicle is best utilized by those 70 and older, as the rate of the annuity will depend upon, among other things, life expectancy tables.

This vehicle is an excellent way for donors to make a significant gift in support of the important work of the Health Centre, while ensuring they can afford to live comfortably during retirement.

### How it works:

Based on the capital you have available, the PRHC Foundation will prepare a quote using standard tables of life expectancy. This quote will illustrate the income you will receive and the amount of your donation receipt. You can choose to be paid monthly, quarterly or annually.

A significant portion of the annual annuity income will be tax-free. The amount of the tax-free portion depends on the size of the annuity and the age of the donor when the annuity is purchased. All donors will get a one-time charitable tax receipt for a portion of the donation the year of purchase.

At the time of the annuitant's passing, or that of the survivor in the case of a joint annuity, any remaining portion of the gift will pass to the Foundation – potentially constituting a second gift and a donation receipt that can be used by the estate to offset taxes owing.

The rate of an annuity will depend upon many factors including your age, gender and prevailing interest rates. Your payments from the annuity will be a blend of capital and interest. The capital is non taxable so a substantial portion of this income is tax free.

The minimum required to set up an annuity is \$10,000.

## **Advantages to you as a donor:**

- ✓ You receive guaranteed, tax favourable income for life
- ✓ You are freed from investment & management concerns
- ✓ You can choose when to receive the income – monthly, quarterly or annually
- ✓ You can fund the annuity with stocks, insurance, cash or other assets
- ✓ You receive an immediate tax receipt for a portion of the gift

## **Consider this example:**

*After her husband died, Jean, age 70, wished to make a significant donation to the PRHC Foundation, but was concerned about having enough funds to meet her living expenses. After discussing options with her accountant, she arranged a charitable annuity and now receives a monthly income in return for the rest of her life. She has the peace of mind of a stable income, and feels proud she could support the hospital that provided her and her family with such great care over the years.*

**We recommend you consult a financial advisor and/or tax professional to ensure your gift is tailored to your circumstances.**

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