



Partners

February 2012

THE NEWSLETTER OF THE NORTHUMBERLAND HILLS HOSPITAL FOUNDATION



*We know the money will be well spent
and well used” ~ Bill & Nancy Logan*

Some of us give to the Northumberland Hills Hospital because of our personal experiences. Some of us give because we know that the hospital helps every person in our community at some point in their lives. Whatever your reason, leaving a bequest in your Will is an inspiring way to ensure that your values and dreams become a reality, while helping to secure the future of an organization you care about.

Bill and Nancy Logan believe the Northumberland Hills Hospital does wonderful work and they want to help ensure this tradition of excellence continues in the future. The Logan’s have left a gift to the hospital in their Wills and with their permission we would like to share their story.

Bill & Nancy Logan

It was retirement and a love of this area that led Bill and Nancy to Cobourg in 2000. Since that time they have kept very busy with their recreational activities and volunteering. Both are members of the Cobourg Probus Club and have helped with Canadian Blood Services. Besides volunteer work at the hospital and Community Care Northumberland, Nancy is an avid curler with the West Northumberland Curling Club, while Bill is a dedicated fly fisherman and birder with over 625 individual species in his log book. However, it is their dedication to the Northumberland Hills Hospital that stands out.

Bill and Nancy have been members of the NHH Auxiliary for 5 years working on the Inquiry and Help Desks. In fact, for the past year Bill has been responsible for scheduling the volunteers for the Help Desk while also a member of the Auxiliary Board. Between them they dedicate almost 30 hours per month to the Auxiliary.

During her career Nancy spent several years as a Librarian with the National Research Council Library assisting people with their projects. After getting his Masters of Science from the University of Guelph, Bill worked with the Federal and Provincial Governments.

The Logan’s believe, quite simply, the Northumberland Hills Hospital is a good cause. They understand the starting point for planned

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The Importance of *V*olunteers

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giving is the appreciation of the charity you are going to give to. They want to know that the organization they support is getting the most value for their donation dollar. Bill says "We know the money (given to the Northumberland Hills Hospital) will be well spent and well used." Gifts made to the Foundation are used to fund essential medical equipment for the hospital.

The best advice for a person who has decided to move forward with a bequest in their Will, is to consult with their legal, financial, banking and business advisors or with John Russell, Personal Gifts Officer with the Northumberland Hills Hospital Foundation. 

*T*he Importance of Volunteers

By **Richard Irvine**, *Chair, Planned Giving Committee, Northumberland Hills Hospital Foundation*



Welcome to the third edition of Partners. The Northumberland Hills Hospital Foundation's Planned Giving newsletter issued once a year. In each issue we try to provide useful information to the many supporters who have not only helped build our hospital, but to

allow it to continue as a first rate hospital in southern Ontario. We also hope that it will inspire you to consider including the hospital in your estate plans.


In this issue there are a number of articles we hope that you will find of interest including, when to revisit your Will, the tax benefits of giving a gift of securities and a feature story of a couple who have left a gift to the hospital in their Will. But first I would like to focus on a very important group of people to our hospital: the volunteers.

During the past year I have visited Northumberland Hills Hospital, for both personal reasons, to have some minor tests done, but also to visit friends and clients who are patients. One thing that has become very clear to me is that this is truly a community hospital. Upon entering the main entrance you are greeted by an Auxiliary volunteer at the Inquiry Desk. The Little Treasure Shoppe is also near the main entrance and is totally run by volunteers with the proceeds from the sale of

various items going back to our hospital. If you need to have tests completed or become a patient of the hospital, you are assisted again by volunteers to ensure that you go to the proper staff member to be admitted. This carries on throughout the hospital and finally, when you are leaving the hospital, more likely than not, you will be taken by wheelchair by a volunteer to the front entrance to be picked up. And this is just the Auxiliary. The Foundation is also blessed to have dozens of volunteers who serve on various committees or help out with events like the Gala or Golf for Health Tournament.

My point in all of this is to emphasize that we are truly a community hospital which is supported by over 500 volunteers as well as financially with donations throughout the year.

To continue to meet the health care needs of our community, our hospital will need both our volunteer and financial support. We hope this edition of Partners will share ideas of how you can take advantage of effective and thoughtful planning through your Will, life insurance policies and by other means that are outlined in the articles.

I would also remind you that the Foundation Office is immediately to the left as you enter the hospital and John Russell or Rhonda Cunningham would be more than pleased to answer any questions you may have. 

Meet *Diane* Gaffney

New Member of the Planned Giving Committee



Diane Gaffney

Diane was born and raised in Belleville. Four years ago, she became the Branch Manager of the Scotiabank in Port Hope and moved to the town with her husband Greg. Diane has been with Scotiabank for 32 years, with 7 of those years spent in Victoria, B.C. With many years of experience and education, Diane has obtained Credit Counseling, Regulatory Compliance and her Personal Financial Planning designations.

Supporting the Canadian Cancer Society's Relay for Life event is one of the ways Diane volunteers and gives back to the community in which she lives. Diane has been Chair of the local event for four years of the 12 years she has been involved with the event. She now has joined the Northumberland Hills Hospital Foundation's Planned Giving Committee as another way to help the community.

Diane has 2 children who regularly visit and enjoy what both Cobourg and Port Hope have to offer.


*Probate...*What is it & How Can I Avoid it? **By Diane Gaffney**

Probate (now legally referred to as a Certificate) is the legal process of distributing your assets according to your wishes, which includes determining the validity of your Will, gathering your assets, paying your debts and taxes and then distributing the remaining assets according to your last Will. This process can be complicated, lengthy and confusing; this is where your Bank can assist you.

Did you know there are ways you can set up your accounts and investments to avoid Probate?

Here's how:

- Make a bank account joint or in Trust, and upon death funds will go directly to the survivor.
- Making your Non-Registered Investments joint or in Trust and upon death the funds will go directly to the survivor.
- RRSP (registered retirement savings plan) or RRIF (registered retirement income fund) can have a Beneficiary added to your plan.
- TFSA (Tax Free Savings Account) can add a Successor (your spouse) or a Beneficiary (anyone other than your spouse).

My advise to you is to talk with your Bank about these simple ways to avoid the Probate costs and lengthy processing of your Will. 

The Importance of *P*lanned Giving & Gifting Shares


*T*he Importance of Planned Giving & Gifting Shares By Kerry Lynch



I can understand that estate planning and planned giving may not be an attractive topic to most people due to the fact it is often associated with thoughts about our inevitable demise and departure from this life as we know it. I regard proper estate planning and planned giving as an opportunity and a right for all of us. Proper planning is not a concept only relevant for the wealthy or the elderly. I often encounter the comment, "I am not sure how this planning will ultimately benefit me." I think this is a realistic and perhaps common perspective. Proper planning provides an opportunity for all of us to help ensure the efficient use of our hard-earned assets and income by reviewing options and alternatives with your financial team. Unfortunately, lack of proper planning can

often result in excessive income taxes and in some cases, complete transfer of ownership of your assets to the government as opposed to loved ones or intended worthy causes. We are all likely aware of the current government deficit; however, I don't think any of us are ready to contribute more to the government than we are already required to do. A proper plan should not be detrimental to your personal situation as a first priority. It will allow you to direct how your assets will be distributed. A proper estate plan should leave you with a feeling of comfort. Exercise your right by ensuring you have a Will in place that expresses the intended distribution of your estate assets.

*G*ift of Shares

A gift of shares is one strategy to consider as a component of your planning. In 2006, the federal government changed tax legislation on publicly traded shares to stimulate charitable giving. Following this change, a gift of shares will result in a donation receipt for the fair market value of the shares donated while the unrealized gain (fair market value in excess of historical purchase price) will not be subject to capital gains tax. At the top marginal tax rate, this can save taxpayers in Ontario up to 46% in taxes. 100% of the value is transferred to the charitable organization in the form of shares without the government first taking their cut on income taxes. Therefore, if you have unrealized gains on shares and you are considering a gift, a donation of shares can be a more tax efficient approach compared to a cash donation. In other words, this can be a win-win situation for the donor and the charitable organization. 

*B*enefits to the Donor

- Gift receipt for fair market value (FMV) of shares/units on date of ownership transfer
- No tax on realized capital gain
- Tax credits fully available to offset tax on other income
- Recognition benefits offered by the Foundation for gifts made
- Satisfaction of knowing gift is "at work"

The Importance of *P*lanned Giving & Gifting Shares

Example:

A Gift of \$ 25,000 in Stock to NHH Foundation

Mr. Smith owns a portfolio of publicly listed, blue chip stocks including 1000 shares of *XYZ Industries*, bought years ago at \$10 per share. The shares are currently valued at \$50 per share.

Mr. Smith wants to make a gift of \$ 25,000 to the Foundation and wonders whether he should sell **500 shares** of the stock and donate the proceeds, or simply give the stock. Assume a 46% combined marginal tax rate, and a 46% combined tax savings resulting from the credit.

TAX ON GAIN	SALE	GIFT
Capital Gain Recognized (\$25,000 - \$ 5,000)	\$20,000	\$ 0
Taxable Gain if sold (\$20,000 x 50%)	10,000	-
Taxable Gain when donated	-	\$ 0
Tax Owing on Gain (46% marginal rate)	\$ 4,600	Nil
TAX CREDIT		
Donation Receipt Value	\$25,000	\$25,000
Combined Tax Credit (\$25,000 x 46%)	11,500	11,500
NET TAX SAVINGS		
Combined Tax Credit	\$11,500	\$11,500
Tax Owing on Gain	- 4,600	0
Net Tax Savings	\$ 6,900	\$11,500



"I have been a supporter of the hospital for many years and am very appreciative of the services provided by the medical professionals at the Northumberland Hills Hospital.

I choose to make my personal gifts to the hospital by way of donating appreciated stocks. As a single individual, the tax break one receives by not paying capital gains means the contributor gets the biggest value for their dollar. And besides, it's an easy way to show my support."

Audrey E. Wilson

"It was the late Bob MacCoubrey who stopped me from making our first pledge payment to the new hospital by writing a cheque. I remember him saying "what are you doing? If you have appreciated securities, it's the way to go." He was right and we've never looked back since. We always make a point of gifting securities now. It's a win-win."

Bill & Susan Copland



The Gift That Lasts Forever: Endowment



In 2005, the Northumberland Hills Hospital Foundation created a permanent Endowment Fund to provide a sizable gift to the hospital that could be counted on year after year. As part of the program, the community was invited to establish "named" endowment funds with a minimum gift of \$25,000.

To date, the response to this program has been tremendous with over \$2.1 million invested representing fifteen individually named funds.

Each year, a percentage of the endowed funds is dispersed to the hospital. In 2011, we're pleased to report \$56,000 was made available for the purchase of a Blood Coagulation Analyzer.

Blood Coagulation Analyzer



The blood coagulation instrument is used for identifying the abnormalities in a patient's blood clotting system allowing the physician to prescribe drugs to help regulate the patient's blood clotting mechanisms.

The number of tests has averaged 15,000 patients per year demonstrating the critical value that this technology and analyzer has provided to the health care within our community.

Pictured in the photo are representatives (from left) Robert Sculthorpe (A.K. & Bob Sculthorpe Endowment Fund), Lynn Hardy (Lynn Hardy Endowment Fund) and Richard Irvine (James & Heather Irvine Endowment Fund).

Named Endowment Funds

Phillips Family Endowment Fund
Allan & Karen Birney Endowment Fund
Lynn Hardy Endowment Fund
A.K. & Bob Sculthorpe Endowment Fund
Marjory Harris Endowment Fund
David C. & Bea Roffey Endowment Fund
Denman Sinclair Endowment Fund
General Endowment Fund

Dr. Robert & Ann Scott Endowment Fund
Leslie Denman Boyd Endowment Fund
Isobel Milne Endowment Fund
Rosamond Comrie Endowment Fund
Bob MacCoubrey Endowment Fund
James & Heather Irvine Endowment Fund
Rolph Family Endowment Fund

Fast Facts on Endowment

- Named endowment funds are established at a minimum donation of \$25,000
- Endowments are held in perpetuity; only the investment income earned on the principal is spent
- Endowment funds can be established and named in honour or in memory of a family member or loved one as a permanent tribute
- You can direct your gift to a special area of interest (e.g. diagnostic, emergency care, etc.)

The Importance of a *W*ill & When to Revisit it

The Importance of a Will & When to Revisit it

By Bruce Coleman



Do I have a Will to revisit?

If, yes, good for you. If not, at least you have a clean slate as a starting point.

When should I revisit my Will?

Some lawyers like to suggest semi-annually. However, in reality, your Will may not need changes or updating unless there is a change in personal or family circumstances. This could include:

- Marriage, separation or divorce
- Children coming of age
- Arrival of new children or grandchildren
- Death of an executor or beneficiary
- Winning a lottery
- Nephew or family member falling out of favour etc.

Do I need a whole new Will?

Sometimes, yes. Sometimes, no. It depends on how extensive the changes are. Often a small number of changes can be made by an addendum or "codicil" of one or two pages. In other circumstances you may want a new Will so that a former beneficiary won't see that, on second thought, he or she has been eliminated.

Marriage

A marriage revokes (or voids) a Will unless the Will contains a declaration that it was made in contemplation of the marriage.

Affairs (Of the Financial or Business variety)

If your financial affairs have improved or your business circumstances have changed, you should consider reviewing this with your accountant and/or lawyer. There may be estate planning opportunities that could reduce taxes.

Charities

An improvement in finances also may be reason to consider adding (or increasing) charitable gifts in your Will to benefit the causes you admire and support.

The Northumberland Hills Hospital Foundation encourages you to seek professional, legal, estate planning and financial advice when deciding on a course of action.

What is Planned Giving?




John Russell, CFRE
Personal Gifts
Officer

Planned giving can be seen as a powerful commitment to the future of Northumberland Hills Hospital. These gifts make a lasting impact providing hospital officials the means to make long-term decisions about health care services.

A planned gift can be made now or in the future. Each type of planned gift offers particular benefits to the donor and each supports the programs and patients at Northumberland Hills Hospital.

Some donors think of their planned gift as a way to perpetuate their annual giving.

These gifts may involve discussions with your Financial or other Professional Advisor and usually involve considerable tax savings.

For more information contact John Russell, Personal Gifts Officer, Northumberland Hills Hospital Foundation at 905-372-6811 ext 3065 or jrussell@nhh.ca. 

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Privacy Statement

The Northumberland Hills Hospital Foundation respects your privacy. We protect your personal information and adhere to all legislative requirements with respect to protecting privacy. We do not rent, sell, or trade our mailing list. The information you provide will be used to keep you informed and up-to-date on the activities of the Northumberland Hills Hospital Foundation—including programs, services, special events, funding needs, and opportunities to volunteer or to give—through periodic contacts. If at any time you wish to be removed from any of these contacts simply contact us by phone at (905) 377-7767 or via e-mail at rcunningham@nhh.ca and we will be pleased to accommodate your request.



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