



Get the facts: Charitable Gift Annuities

Do you want to make a meaningful gift to Heart & Stroke, increase your annual income, and reduce your taxes at the same time?

A Charitable Gift Annuity might be right for you.

A portion of your donation will be used to purchase a commercial annuity from an insurance company that will pay the amount promised to you. While you receive guaranteed income for the rest of your life, Heart & Stroke retains the balance of your gift to fund the highest priority programs and services.

How does a Charitable Gift Annuity work?

Charitable Gift Annuities (CGAs) work the same way as regular commercial annuities, but offer even more advantages because of a charity's tax-free status.

It has two parts:

1. An upfront immediate gift to the Heart & Stroke, for which you will receive an immediate donation receipt
2. A tax-preferred stream of annual income to you, guaranteed for life.

What are the steps involved?

- First, contact Heart & Stroke in your province. We will prepare a personalized financial picture, specific to your lifestyle and needs.
- You determine the amount you wish to contribute to the Foundation, the portion of the contribution you want us to retain for our mission, and the frequency of your income payments. Generally, the minimum amount we will retain is 20% of any gift annuity contribution – Heart & Stroke can put this amount to work immediately.
- You transfer your contribution to the Foundation; we purchase an annuity on your life from a highly-rated insurance company and arrange to have the income payments made directly to you.
- We give you a donation receipt equal to your contribution, less the amount we use to buy the annuity.
- You begin to receive regular income that continues for as long as you have chosen (either a “fixed number” of years or for the rest of your life).

How does a Charitable Gift Annuity benefit you?

- The annuity will provide you with guaranteed lifetime income.
- Depending on your age, a significant portion, if not all, of the income from a gift annuity will be paid to you 'tax free.' The tax saving creates increased yearly income for you to spend.
- An annuity investment is low-risk, and returns on annuities tend to be higher than those offered on GICs in today's market, with the rates "locked in" for life.
- You receive a donation receipt in the year you purchase the annuity — this helps reduce income taxes otherwise payable for that year.
- It helps to minimize your worry with respect to current and future money management.
- It helps to secure Heart & Stroke's ability to continue its life-saving mission, far into the future.

What else should you consider?

- Your age and the contribution you choose to make, affect the size of your income payments. Usually, the older you are, the larger your payments.
- You would like to increase your current after-tax income that's available for spending, or enjoy the security of a fixed guaranteed income.
- You are older than age 65 and you don't need the money chosen for the Charitable Gift Annuity to provide for a surviving spouse or dependents.
- You have accumulated substantial wealth, are in a high tax bracket, and want to increase your tax-free income.
- You want the worry-free management of such an investment.
- It is important to understand that this is an irrevocable (permanent) gift arrangement.

heartandstroke.ca/legacy



Heart and Stroke Foundation of Canada – Charitable Registration #: 10684 6942 RR0001

This material provides general information and is not intended to constitute or replace specific professional advice. Donors considering a legacy gift should speak to an advisor with appropriate tax and other expertise to implement a strategy that achieves their objectives.

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