Garnet Short and Gifts of Annuities

Garnet Short is a man who knows the value of a dollar. Beginning life in the working world as a clerk in a shoe store, the Woodstock resident went on to work everywhere from the stockroom of a factory producing mortar bombs and shells during WW II, to a private business selling mutual funds with an old friend. “I’ve certainly dabbled in many things,” said 81-year-old Short, “but the one thing I learned through it all was how to live on a budget.”

As time wore on, health problems began to arise and Short came to depend on the London Health Sciences Centre. “I’ve had a couple of operations,” he said. “And both were life-saving.” Feeling he owed the hospital some form of repayment, he expressed his immense gratitude by making a donation through the gift of an annuity - an option his money-wise personality told him was the best way to go.

“It helped me in many ways,” he said. “I got to make the donation, it helps pay my bills now, and it’s a nice incentive to have that tax deduction.” The deduction can be spread over a maximum of five years, or used at any point there within, whenever it is most convenient.

Since his work with mutual funds allowed Short to make several investments of his own, some of which are doing quite well as of late, the most convenient time for him to take advantage of the tax credit may have arrived. “I’ve had a lot of capital gain on my investments, so I might use it all up this year to help keep me in a lower tax bracket,” he said. “I like having the option.” For Short, the added bonus of tax breaks and guaranteed monthly income made the gift of an annuity an unbeatable way to donate to London Health Sciences Centre. “I thought I certainly owed the hospital something,” he said, “because I wouldn’t be alive without them.” Charitable Gift Annuities are an attractive option for donors, usually in their seventies and older, to benefit a charity and collect income, largely tax exempt (depending on the age of the purchaser), at the same time. Part of the capital used to acquire the annuity (typically 25%) is an immediate gift to the charity for which a tax receipt is issued. The balance of the capital purchases a commercial annuity, which pays the donor income for life.

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