



Gift of Securities

Invest and connect your resources to vital ministries in Southern Ontario

A gift of **publicly traded appreciated securities** is a creative option for many donors who want to have the greatest impact and avoid capital gains tax. When you transfer gift of shares, bonds, futures, or units of mutual funds listed on a public stock exchange, to Jubilee United Church, you will not pay tax on any of the capital gain.* And because you also qualify for a charitable tax receipt based on the asset's fair market value, the net cost of a gift of securities may be less than a gift of an equivalent amount of cash after selling your securities yourself.

This creative gift can be made during your lifetime or in your Will through your estate.

*This applies to those individuals who are not subject to the Alternative Method Tax when calculating income tax returns with CRA. For those subject to AMT, please seek advice from a professional advisor on the tax paid on capital gains.

HOW TO MAKE THE GIFT

1. You are asked to complete the Transfer Form, which we ask you to send the form to The United Church of Canada's Foundation and to your broker.
2. Your broker will then transfer the specified securities to the Foundation, at which point the Foundation's broker sells the securities as soon as possible and then passes on the proceeds to Jubilee United Church (specify Jubilee United Church on your transfer form).
3. At your direction, your broker will electronically transfer your securities to Jubilee United Church's partner, the United Church of Canada Foundation's brokerage.
4. This broker then sells the security immediately after receiving the transfer. Based on the fair market value of the asset on the day it was donated.
5. The UCC's Foundation will transfer your donation to Jubilee United Church electronically, and it will be directed to the area or fund you specify on the stock transfer form.
6. The UCC's Foundation will issue you, or your estate, a charitable tax receipt for 100 percent of the funds received minus the broker fees plus a nominal percentage fee.
7. The entire process takes three weeks. If your gift is time-sensitive, please call us before starting the process.

Note for Consideration: You may also wish to consider donating listed securities in your Will instead of making a cash gift. Because capital gains will not be taxed in this case, your estate may realize considerable tax savings that may increase the amount going to other beneficiaries.

FOR EXAMPLE:

Mr. C wishes to make a gift of shares worth \$50,000 to Jubilee United Church's Community Table Fund. The original purchase price of the shares was \$20,000. Here is what happens:

- Assuming he is taxed at a rate of 46 per cent of combined federal and provincial charitable tax rate (varies by Province) see the difference in taxes paid if he sells the shares and donates the cash proceeds versus donating the shares directly to Jubilee United Church.

	Sells Shares, Donates Proceeds	Donates Shares Directly to [NAME OF CONGREGATION]
1. Value of the shares	\$50,000	\$50,000
2. Original purchase price	\$20,000	\$20,000
3. Capital gain	\$30,000	\$30,000
4. Taxable gain (line 3 x 50%)	\$15,000	\$0
5. Donation receipt	\$50,000	\$50,000
6. Donation tax credit (calculated at 46%)	\$23,000	\$23,000
7. Tax on taxable capital gain (line 4 x 46%)	<u>\$6,900</u>	<u>\$0</u>
8. Net tax savings (line 5 – line 6)	\$16,100	\$23,000

Should you wish to talk about your dreams for the Church, contact us as below, and we can share what Council can do to help you make them happen.

PLEASE SEEK EXPERT ADVICE: A gift of appreciated securities during your lifetime or through your estate requires professional advice. Jubilee United Church strongly recommends that you seek such advice to ensure your financial goals are considered, your tax situation reviewed, and that your gift is tailored to your circumstances. A financial or legal advisor should review in detail what best fits your needs.

CONTACT:

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