



# Planned Giving The United Church of Canada

## Gifts of Publicly Traded Securities

Gifts of publicly traded securities are an attractive option for donors.

In 2006, the Government of Canada permanently eliminated the tax payable on capital gains of securities if they are donated to a charity. Now, when you transfer gifts of shares, bonds, bills, warrants, futures, or units of mutual funds that are listed on a prescribed public stock exchange, you will pay no tax on the capital gain.

Because you also qualify for a charitable donation receipt based on the asset's fair market value, the net cost of a gift of securities to the church may be less than a gift of an equal amount of cash.

Just inform the Gift Planning Office or the treasurer of your local church that you wish to make a gift of securities. Then instruct your stock broker to transfer the securities to the church's account. If your congregation does not have its own brokerage account, The United Church of Canada Foundation will also serve as a "flow-through" agency for your gifts. The Gift Planning Office, your Regional Gift Planner, and The United Church of Canada Foundation have forms and easy-to-use guidelines to help you.

You will receive a charitable donation receipt for the fair market value of the securities as of the date they are received by the church. You may also wish to consider donating listed securities in your will instead of making a cash bequest. Because capital gains will not be taxed, your estate may realize considerable tax savings that may increase the amount in your estate going to your other beneficiaries.

## Benefits of a Gift of Publicly Traded Securities

- You delight in the joy of giving.
- The church can use the gift now.
- You can fulfill a pledge or make a gift without depleting your bank account.
- You choose the area of work that you value.
- You receive a charitable donation receipt for the value of the securities.
- You pay no tax on the capital gain of the donated securities.

## What Our Donors Say...

"For a long time we have had an interest in ways to help the needy people of the world. Our accountant recommended gifting mutual fund shares to one of the church's outreach funds. We chose to contribute in this way."

—Bill and Audrey Bergey, Waterloo, Ontario

"The church has always been an important part of my life—like an extension of my family. An appeal was made for financial support to establish a building fund. It was both possible and practical for me to make a gift of listed securities. There was a tax benefit for me, and the church will benefit from the increasing value of the gift until such time as they choose to use it for the building fund. But most of all, I was really happy that I could support my church in this way."

—Grace Race, Victoria, B.C.

## An Example of Generosity

Mrs. K. is considering making a gift of shares worth \$50,000 to the Mission and Service Fund. The original purchase price of the shares was \$20,000. She is in the top tax bracket (assume 46 percent).

	Sell Shares and Donate Proceeds	Donate Shares to the Church
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 tax credit (calculated at 46%)	\$23,000	\$23,000
6. Tax on capital gain (line 4 x 46%)	\$6,900	\$0
7. Net tax savings (line 5 – line 6)	\$16,100	\$23,000
8. Donation receipt	\$50,000	\$50,000

Mrs. K. saves \$6,900 in tax savings by donating the shares to the church instead of selling them and donating the proceeds.

For more information on making a gift of securities, please contact your Regional Gift Planner whose card appears in this folder or call The United Church of Canada at telephone: 1-800-465-3771 ext. 2027; e-mail: [giving@united-church.ca](mailto:giving@united-church.ca)

See the United Church website at: [www.united-church.ca/getinvolved/donate/howto/planned](http://www.united-church.ca/getinvolved/donate/howto/planned)  
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