Canadian Excellence

LAURIER

PLANNED GIVING

What is planned giving?

A planned gift:

- Considers personal and family needs
- Is tailored to your financial situation
- Usually is made from assets, not current income
- Is a tax-effective way of giving
- Enables you to leave a permanent legacy
- Is probably the largest charitable donation you will ever make.

There are a number of ways to make a planned gift. A planned gift can be a gift of life insurance, an RRSP/RIF, a will bequest, a gift of securities, a charitable remainder trust, or a charitable gift plus annuity. Planned giving offers a number of charitable giving options—options that suit you and your family's needs now and in the future and help you leave a permanent legacy.

For more information, contact

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Gift of securities tax break made permanent

The special federal tax break for donations of publicly traded securities to charities is to be made permanent.

"From the data available, it appears that this measure has been an effective additional incentive for people to make donations to charities. This is exactly what the measure was designed to do," said then-Finance Minister Paul Martin in announcing the policy change.

Under this measure, the capital gains tax for gifts of securities is reduced by half. This announcement also applies to certain donations of securities acquired by an employee through a stock option plan.

The announcement is great news for charities, indicating the government's intent to continue working with the charitable sector to determine whether there is an appropriate and cost-effective basis for broadening this measure beyond its current application.

This tax break means that individuals wishing to support Wilfrid Laurier University will benefit significantly by gifting shares rather than cash. The taxable portion of capital gains for a gift of publicly traded securities or shares is 25 percent, which is half of the 50 percent capital gains inclusion rate, making the potential tax savings resulting from gifting shares greater than tax savings that result from the gift of cash.

Consider the following example:

GIFT	DONOR # 1 GIFT OF SHARE	DONOR # 2 CASH FROM SOLD SHARES
Market Value of Shares	$100,000	$100,000
Cost Base for Tax Purposes	$10,000	$10,000
Capital Gain	$90,000	$90,000
Taxable Capital Gain Included in Income (25% when shares donated) (50% when shares sold)	$22,500	$45,000
Tax on Capital Gain (assuming 50% tax rate)	$11,250	$22,500
Tax Benefit for Donor $100,000 X 50% tax rate (approx.)	$50,000	$50,000
NET TAX BENEFIT FOR DONOR	**$38,750**	**$27,500**