

# Gifts of Securities



Did you know that you can donate appreciated securities **without paying any tax on capital gains?**

This means you could **realize a financial advantage** by making a gift of securities directly to United Way East Ontario, instead of selling them and donating the cash.

Donations of stock shares, mutual funds or other forms of securities are all eligible for tax credits for their full current market value. To illustrate, here are two hypothetical scenarios:

SCENARIO 1 John and Jane Doe sell shares and donate cash		SCENARIO 2 John and Jane Doe donate shares directly to United Way East Ontario	
Current value of shares	\$5,000	Current value of shares	\$5,000
Original cost of shares	\$1,000	Original cost of shares	\$1,000
Capital gain	\$4,000	Capital gain	\$4,000
Taxable portion of capital gain (50%)	\$2,000	Taxable portion of capital gain (0%)	0%
Capital gain tax (Assuming 46%) *	\$920	Capital gain tax (0%)	0%
Donation of Cash	\$5,000	Donation of Shares	\$5,000
Tax Credit (45% donation of cash) **	\$2,250	Tax Credit (45% donation of shares) **	\$2,250
Net Credit (tax credit-capital gain tax)	\$1,330	Net Credit (tax credit-capital gain tax)	\$2,250
Net Cost (Gift-net credit)	\$3,670	Net Cost (Gift-net credit)	\$2,750
<b>John and Jane Doe's financial advantage by donating the shares directly instead of cash (Net Cost scenario 1 – Net Cost scenario 2) ***</b>			<b>\$920</b>
<small>* The marginal tax rate for each province and individual is different – 46% is the highest marginal rate in Ontario.  ** The Tax credit for donations is valued at approximately 45% of income for donations &gt;\$200  *** These figures are for illustration purposes, Donors should seek expert advice to discover their full tax advantages for donating securities.</small>			

To learn more, contact Mark Nadeau at (613) 288-6706 or email [giftofsecurities@unitedwayeo.ca](mailto:giftofsecurities@unitedwayeo.ca).

Go to [uwco.ca/securities](http://uwco.ca/securities) to download the 2019/2020 share transfer form. Please complete on or before December 23<sup>rd</sup>, 2019 for the 2019 Tax year.