

# Publicly Traded Securities

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## *Gifts with Impact*



When you transfer publicly traded securities – shares, bonds, or mutual funds – to a registered charity, you will not pay tax on the capital gain. 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. This is a great way to make a gift to your congregation or The Presbyterian Church in Canada.



## How to donate securities to your church


The Presbyterian Church in Canada will receive gifts of securities for any of its ministries – *Presbyterians Sharing*, *PWS&D*, *Gifts of Change* – or for any congregation in the PCC. At your direction, your broker electronically transfers your securities to The PCC's brokerage. You receive a charitable tax receipt based on the fair market value of the stock on the day it was donated. The stock is sold soon after the PCC receives the transfer and the proceeds (reflecting any change in value from gift date and minus the broker fees) go to the PCC congregation, program, or ministry.

You may also wish to consider donating listed securities in your will. Because capital gains will not be taxed, your estate may realize considerable tax savings.

Download a transfer form from:

[presbyterian.ca/waystogive](http://presbyterian.ca/waystogive) or ask us to send you one.

Give one copy to your broker to complete the transfer and send one copy to the PCC to ensure the gift goes where intended.



## Example

Alan wishes to make a gift of \$50,000 to support *Presbyterians Sharing*. See the difference in taxes paid if he sells the shares and then donates the proceeds, versus donating the shares directly to the church.

	Sells Shares, Donates Proceeds	Donates Shares to the Church
1. Value of the shares & Donation Receipt	\$50,000	\$50,000
2. Original purchase price of shares	\$20,000	\$20,000
3. Capital gain	\$30,000	\$30,000
4. Taxable gain (line 4 x 50%)	\$15,000	\$0
5. Donation tax credit (calculated at 46%)	\$23,000	\$23,000
6. Tax on capital gain (line 5 x 46%)	\$6,900	\$0
7. Net tax savings (line 5 – line 6)	\$16,100	\$23,000
8. Cost to make gift (line 1 – line 7)	\$33,900	\$27,000

## Benefits

- ▶ Know you are supporting transformational ministry
- ▶ Give in a cost-effective way, with significant tax savings
- ▶ Leave a legacy during your life-time or through your estate



Please seek professional advice to tailor legacy gifts to your circumstances.

For further information, please contact:

### **The Presbyterian Church in Canada Stewardship & Planned Giving**

50 Wynford Drive, Toronto, ON M3C 1J7

[plannedgiving@presbyterian.ca](mailto:plannedgiving@presbyterian.ca)

[www.presbyterian.ca/waystogive](http://www.presbyterian.ca/waystogive)

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