



**United Way
Centraide**
Simcoe Muskoka

Tax benefits make giving to United Way even more attractive.

An individual who makes a gift to United Way receives a federal tax credit against income taxes. The annual federal tax credit is equal to 15 percent of the first \$200 donated by an individual and 29 percent of the amount exceeding \$200

***Taxable income less than \$208,800**

| Gift amount* | Total tax savings | Actual cost to you |
|--------------|-------------------|--------------------|
| \$100 | \$20 | \$80 |
| \$200 | \$40 | \$160 |
| \$500 | \$160 | \$340 |
| \$1,000 | \$361 | \$639 |
| \$5,000 | \$1,968 | \$3,032 |

Donating publicly traded securities

The Capital Gains Tax was removed from publicly traded shares that have been donated. This means that the donor receives a tax receipt for the full value of the shares but is not taxed on any gain. A minimum of \$1,200 of the total gift must remain with United Way Simcoe Muskoka, United service area or another United Way in Canada.

The benefits are clear...

If you sell a security, you pay tax on 50 percent of the capital gain. However, when you donate a Gift of Security to United Way the taxable capital gain is eliminated.

You will also receive a tax receipt for the full market value of the security in the amount of the closing trading price on the day United Way received the security.

This multiplies the impact of the tax benefit of your charitable giving.

For more information contact UWSM at 705-726-2301

Example: Tax benefit of donating publicly traded gifts of securities to United Way Simcoe Muskoka

| | Sell securities and donate after-tax proceeds | Donate securities through UWSM |
|--|---|--------------------------------|
| Current Market Value | \$10,000 | \$10,000 |
| Cost of Security | \$5,000 | \$5,000 |
| Capital Gain | \$5,000 | \$5,000 |
| Taxable capital gain (50%) | \$2,500 | \$0 |
| Tax due on gain at Marginal Rate (e.g., 43%) | \$1,085 | \$0 |
| Tax receipt amount | \$8,915 | \$10,000 |
| Total Tax credit* | \$3,869 | \$4,340 |
| Net Tax Savings | \$2,784 | \$4,340 |

*Examples uses Ontario Federal and Provincial combined tax rate