

# *A Guide to Creating Your Legacy at the University of Waterloo*

Planned giving can allow people who have limited financial resources in their lifetime to achieve larger gifts than they thought possible, to make a positive difference at the University of Waterloo and in the world. It's an opportunity for you to create a meaningful, enduring legacy.



## **A gift of publicly traded stocks and securities**

Gifts of securities include publicly held shares, bonds, mutual funds and stock options, and can be made by your estate or during your lifetime. A gift of publicly traded stocks and securities can result in favourable tax credits.

### *What are the advantages of this type of gift?*

- › You can make a significant gift without having to pay capital gains on the appreciated value.
- › When shares are donated directly, you receive a tax receipt for the fair market value on the day the shares are received by the University of Waterloo.
- › These gifts have lower tax costs than if you were to sell the securities and then donate the proceeds.





## How does this type of gift work?

Example: You make a gift of publicly traded shares that were purchased for \$10,000 and are now worth \$50,000. Note: table is accurate as of Nov 2023

The below table uses general figures for the purpose of illustration. This example assumes you have a combined federal and provincial marginal tax rate of 53.53 per cent (varies by province), and you have made other charitable contributions exceeding \$200 in the current year.

There may be special conditions for gifts of private shares, employee stock option shares, flow-through partnership units and securities sold at a loss. Your donation may also be affected by donation limits and the timing and nature of the gifted asset.

To make a gift of securities, you can initiate an electronic transfer from your broker to the University of Waterloo's broker using this Letter of Direction for a Gift of Securities:

[uwaterloo.ca/support/give-to-waterloo/how-to-give/securities](https://uwaterloo.ca/support/give-to-waterloo/how-to-give/securities)

| VALUE OF SHARES                                      | SELL THE SHARES (NO DONATION) | SELL THE SHARES AND DONATE THE PROCEEDS | DONATE THE SHARES |
|--|-------------------------------|---|-------------------|
| Value  | \$50,000                      | \$50,000                                | \$50,000          |
| Original purchase price                              | \$10,000                      | \$10,000                                | \$10,000          |
| Capital Gain   | \$40,000                      | \$40,000                                | \$40,000          |
| Taxable gain (line 3 x 50%)                          | \$20,000                      | \$20,000                                | \$0               |
| Donation receipt                                     | \$0                           | \$50,000                                | \$50,000          |
| Donation tax credit (calculated at 53.53%)           | \$0                           | \$26,765                                | \$26,765          |
| <b>Tax on taxable capital gain (line 4 x 53.53%)</b> | <b>\$10,706</b>               | <b>\$10,706</b>                         | <b>\$0</b>        |
| Net tax savings (line 5 – line 6)                    | \$0                           | \$16,059                                | \$26,765          |

The information within these pages does not constitute legal or financial advice. We strongly encourage you to seek professional legal and/or financial advice for your particular situation.

For more information on how you can establish your legacy gift to support Waterloo's future, contact our Planned Giving team at **519-888-4567 ext. 41879** or [plannedgiving@uwaterloo.ca](mailto:plannedgiving@uwaterloo.ca)

