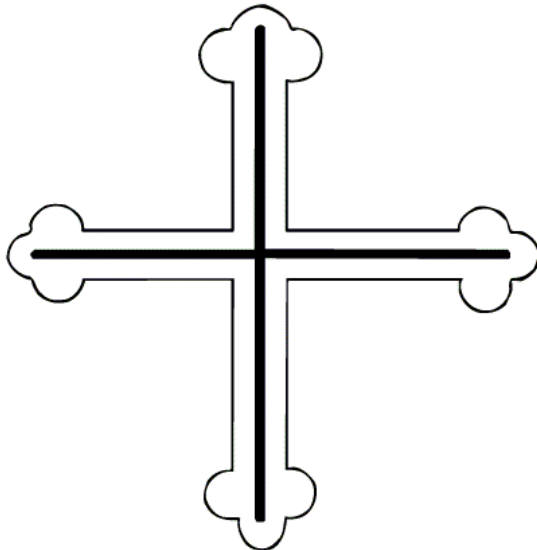


*Growing As  
God's Stewards*

*An Invitation  
To Legacy Giving*

*With a direct gift of cash or property*



*Discovering the Spirit of Mission:  
Living the Year of the Lord's Favour (Luke 4:19)*

## Gifts of cash

Cash contributions—paid by cheque or credit card — are the choice of many donors to The Anglican Church of Canada. A cheque is considered to have been given on the day it was mailed, and a gift by credit card on the date the obligation was incurred.

The Canada Revenue Agency's (CRA) charitable donation tax credit means that your gift is worth more to the Church than its actual net cost to you. Each year a percentage of the value of your accumulated donation receipts can be subtracted from the federal income tax you owe and reduce your provincial taxes as well. Depending on your provincial rate, the combined tax savings can be as much as 45 percent of the amount contributed.

*Sally T. writes a cheque for \$1000 to her church, but the net cost of the gift to her is only \$550, because her donation receipt for \$1000 reduces her income taxes for that year by \$450.*

The maximum amount of contributions creditable in any one year is 75 percent of your net income. Any unused contributions can be carried forward and used in any of the next five years, again subject to the annual contribution limit.

## Gifts of appreciated property

Non-cash assets, such as publicly traded listed securities, real estate and works of art are also suitable as outright gifts. Beginning in 2006 there is a special incentive to encourage gifts of listed securities: the amount of capital gain included in income and subject to tax is reduced to nil. This means that none of the capital gain is taxed when listed securities are contributed. (Note: Listed securities include stocks and bonds traded on Canadian and many foreign exchanges and also mutual fund units. To qualify for the special tax treatment, the securities must be contributed **in-kind** to a public charity, such as St. James' Anglican Church (or The Anglican Church of Canada).

Although none of the gain is subject to tax, you receive a donation receipt for the full fair market value of the securities. Thus, a contribution of securities always results in net tax savings.

When you give appreciated property, your limit actually exceeds 75 percent of net income, for you may claim up to 75 percent of your income from all other sources plus 100 percent of the taxable gain in your gift. Because of these provisions, you can always be assured that your donation tax credit will exceed tax on the gain in the gifted property, as the following example demonstrates.

*Henry B. donates listed stock valued at \$50,000 that he had purchased for \$10,000. His capital gain is \$40,000, and is not taxable. Even with his 45-percent combined tax rate, there is no tax on the gain. However, his contribution results in a tax credit of \$22,500, which leaves him with a donation having a net cost of only \$27,500.*

Suppose that Henry had sold the stock instead of contributing it. The taxable portion of the gain would have been \$20,000 ( $50\% \times \$40,000$ ), and the tax on this gain would have been \$9,000 ( $45\% \times \$20,000$ ). His after-tax sales proceeds would have been \$41,000. Thus, the cost of making a \$50,000 gift is only \$13,500 (the difference between after-tax proceeds in the case of a sale and the net tax savings in the case of a gift).

I would like more information on the following:

- Gifts of publicly traded securities
- Charitable bequest
- Gift of life insurance
- Charitable Gift Annuity
- Gift of Residual Interest
- Charitable Remainder Trust
- Gift of a Stripped Bond

We would very much like to know if you have already arranged for a future gift to St. James' Anglican Church, the Diocese of Toronto or the Anglican Church of Canada in order that we may recognize you as one of our "Legacy Partners"

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

Province \_\_\_\_\_ Postal Code \_\_\_\_\_

Email address \_\_\_\_\_

Phone \_\_\_\_\_

You may include this with your Sunday envelope or mail to:

St. James' Anglican Church  
58 Peter Street North Box 272 Orillia,  
Ontario, Canada  
L3V 6J6  
Phone: 705-325-2742  
Fax: 705-325-9708

*Used with the kind permission of The Reverend Richard G. Vroom, Diocese of Ottawa, Gift Planning Consultant.*