

# MAKING STOCK GIFTS



## TAX DAY IS APRIL 15.

There are tax-efficient ways to give appreciated securities (stocks and mutual funds) and make a meaningful gift to the United Way of the Midlands, and the benefits can be significant.

### HOW IT WORKS:

- ▶ You may give securities to United Way of the Midlands by transferring the shares into one of United Way's brokerage accounts. United Way then liquidates the shares and uses the proceeds to benefit the community as you directed-to our Community Impact fund or to fund education or health care programs, etc.
- ▶ You may take a tax deduction equal to the fair market value of the security on the date of transfer and avoid any capital gain tax you may have incurred if you sold the security instead. You may also be able to reduce income and capital gains taxes if they apply in your state.
- ▶ Here is an example. You bought \$5,000 of XYZ stock in 2009. It is now worth \$10,000. If you give that stock to United Way of the Midlands you may take a charitable deduction of \$10,000 on this year's income taxes, saving both income tax and a capital gain tax. This chart illustrates the benefits:

	<u>XYZ Stock</u>	<u>Cash Gift</u>
<i>Contribution Value</i>	\$10,000	\$10,000
<i>Income Tax Savings*</i>	\$2,500	\$2,500
<i>Capital Gains Tax Savings**</i>	\$750	NA
<i>Net Tax Savings</i>	\$3,250	\$2,500

*\*Assumes a 25% Federal Income Tax Rate*

*\*\*Assumes a 15% Capital Gains Tax Rate*

*How do I transfer securities? If your broker holds your securities, your gift can electronically be transferred to the United Way of the Midlands various accounts. Contact GB Olsen at (803) 758-6992 or [golsen@uway.org](mailto:golsen@uway.org) for information on our brokerage accounts.*