

GIFTING STOCK TO USR

Why do it?

When you redeem stock you have to pay capital gains tax on its increase in value from when you first acquired it. If you gift appreciated stock directly to charity (e.g. USR), you do not pay this capital gains tax.

How much is my savings?

It depends. The key factors are how long you have owned the stock (long term being more than a year and a day vs. short term being a year or less). This determines the tax rate on your gain. The other factor is your tax bracket. All short term gains are taxed at your bracket. Long term gains have a sliding scale rate that also depends on your bracket. **However, no matter what your situation is, you will avoid paying capital gains taxes on any stock gifted to USR.**

Considerations

If you have stocks “lying around,” by gifting stocks as your pledge, you take advantage of the recent increases in the market, cash in on some of those gains, save on taxes and do not need to touch savings or other cash assets to make your pledge.

How do I do it?

It's easy! Once you have determined how much you want to pledge, contact your broker or financial advisor and tell them that you want to gift stock to USR. They will help you identify the shares and quantity to gift and will prepare a letter for you to sign. They will ask for our account information, which you can obtain from Ann. That's it! The stock will go directly to USR at its full value and you will receive a charitable deduction (if applicable) for its full value and you will pay no taxes on the gain. You should also tell Ann to expect the gift at USR.

Leverage your pledge

This is a great opportunity to increase your pledge with little or no impact on your financial situation by simply factoring in your tax savings into your pledge and increasing it by that amount. A smart strategy for a great cause!