

TAKE STOCK IN UNITED WAY

The Benefit of Contributing Appreciated Securities



The easiest and most beneficial way to give

Supporting United Way with a gift of stock means you're building a stronger community and brighter financial future.

When investors are faced with increases in the value of their stocks, it can result in substantial capital gains taxes. However, you may receive favorable tax benefits by making a gift of appreciated securities to United Way of Metropolitan Dallas.

You may realize both a charitable deduction and a reduction in capital gains tax by contributing stock as a gift to United Way. Federal tax laws allow you to wipe out your "paper profits," up to 30% of your adjusted gross income on securities held for more than 12 months, in the year of the gift to United Way. Any unused deduction amounts may continue to be used for as long as the next five years.

Gift Alternatives	Give Appreciated Securities	Sell Securities and Give Cash	Give \$10,000 in Cash
Gift Value	\$10,000	\$10,000	\$10,000
Ordinary Income Tax Savings	\$3,500	\$3,500	\$3,500
Capital Gains Tax Saved or Paid, at 15% Tax Rate	\$1,200 Saved	\$1,200 Paid	N/A
Net Tax Savings	\$4,700	\$2,300	\$3,500

How To Make A Stock Gift

- To transfer stock directly to United Way's brokerage account, contact United Way at 214.978.2000 for instructions.
- You may have the shares re-issued in the name of United Way of Metropolitan Dallas, Inc. and sent to us directly.
- You may sign the shares over to United Way of Metropolitan Dallas, Inc. This method requires the signing and notarization of a "stock power," which should be available from your financial services provider. Stock certificates and stock power should be mailed separately.
- Some companies permit employees to contribute stock to United Way. Please check with your benefits office to see if your employer permits the contribution of stock to charities. If so, our brokerage and financial advisors can assist you with possible gift solutions.

Contact United Way

Once we have received your stock information, we will notify Merrill Lynch so they can be aware of your transfer. Once the transfer is complete, shares are sold immediately. After we receive the proceeds for the sale, we will send you a tax receipt for your gift.

Examples

Let's say that Bob and MarySmith purchased 100 shares in XYZ Corporation in 1982 at a cost of \$2,000. Today, the shares are worth \$10,000 and pay less than 2% in annual dividends.

Because they have held these securities for more than 12 months, they could owe as much as \$1,200 in federal capital gains taxes when they decide to sell.

The Smiths normally make a charitable pledge of \$10,000 each year and pay it in cash. In their tax bracket, this gift brings them tax savings of \$3,500.

If they made this gift in their appreciated XYZ stock, they would avoid all capital gains taxes (\$1,200) and realize a tax savings of \$3,500, for a total benefit of \$4,700 – more than double the savings than if they sold the stock and made their gift in cash.

Please note: The above information is included for general information and is based on current tax law. The discussion does not address all of the tax consequences that may be relevant to particular taxpayers in light of their personal circumstances or to taxpayers subject to special treatment under the federal income tax laws. You should consult your own tax advisor regarding the specific tax consequences when making a gift of securities.

Brokers are not authorized to advise United Way of donor names. Please notify us when initiating your stock gift so we can credit and recognize you.

For additional information or DTC wiring instructions, please contact United Way at 214.978.0000.

United Way of Metropolitan Dallas
Serving Dallas, Collin, Rockwall and
Southern Denton Counties

www.UnitedWayDallas.org