

## MASONIC CHARITIES of the Grand Lodge of Pennsylvania

- The Masonic Temple and Library  
& Museum of Pennsylvania
- The Masonic Villages at:
  - Dallas
  - Elizabethtown
  - Lafayette Hill
  - Sewickley
  - Warminster
- Pennsylvania Masonic Youth Foundation
- Masonic Charities Fund

*Donors may designate their gift to any Masonic Charity or to any of a variety of specific charitable activities within a charity. Please contact a Regional Office for a complete list of designation options. Gifts to all Masonic Charities are federally tax-deductible as allowed by law. Please remember Masonic Charities in your will.*

## For Additional Information:

Thank you for your interest. The Office of Gift Planning welcomes the opportunity to assist you as you consider a Gift of Securities to benefit any of the Masonic Charities of the Grand Lodge of Pennsylvania.

Depending on your circumstances, you may find a gift of securities to one of the Masonic Charities to be an ideal way for you to realize important personal, as well as charitable, objectives. We also welcome the opportunity to meet with you and your advisors to discuss this very popular method of giving.

For more personalized information regarding the benefits of a gift of securities in complete confidence and at no cost or obligation, please contact:  
**Central Region** (717) 367-1121, ext. 33460,  
or toll-free at (800) 599-6454  
**Western Region** (412) 741-1400, ext., 3011,  
or toll-free at (866) 872-0664  
**Eastern Region** (610) 825-6100, ext. 1348  
**Out-of-State** (800) 599-6454



## Visit our Website:

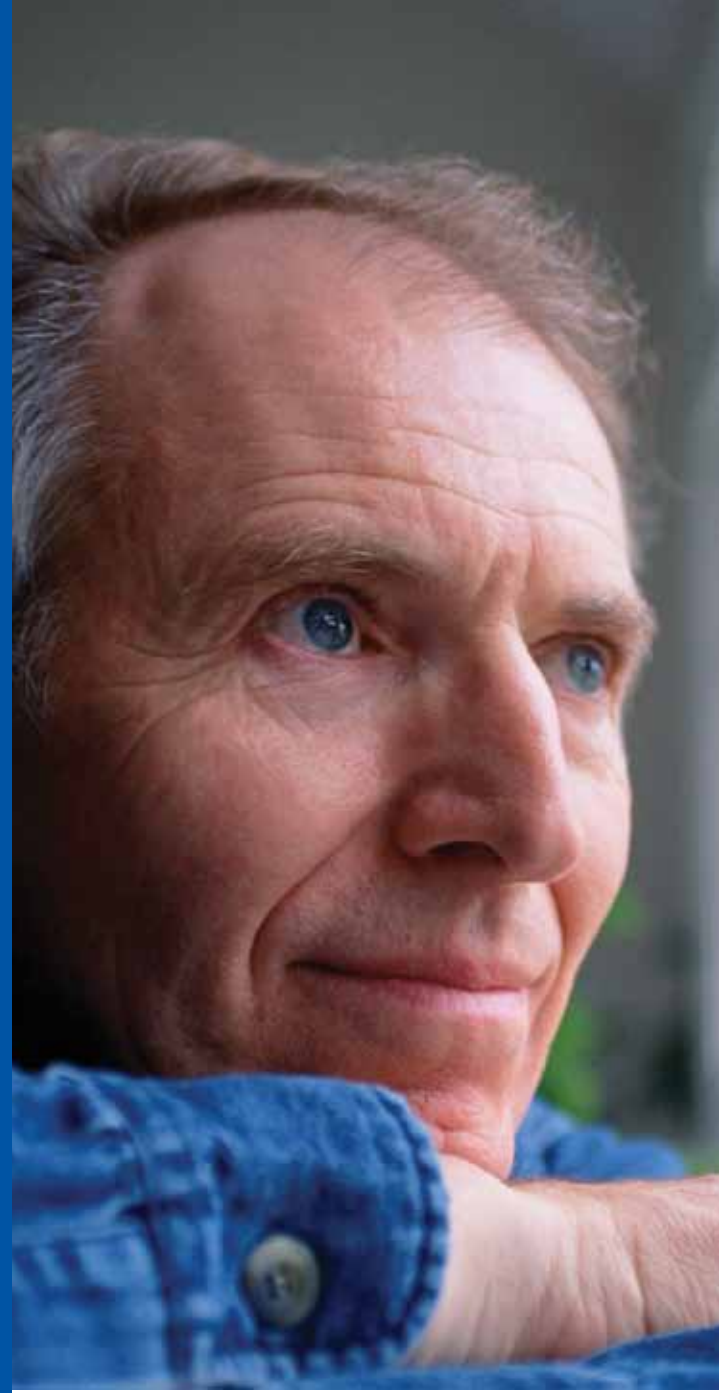
[www.pagrandlodge.org/giving](http://www.pagrandlodge.org/giving)

The information contained in this brochure is provided for educational purposes and does not represent legal advice or opinion.

The official registration and financial information for any of the Masonic Charities can be obtained from the Pennsylvania Department of State by calling toll-free, within Pennsylvania, (800) 732-0999.

Out-of-State residents may contact the Gift Planning Office at 1-800-599-6454 for registration information in their particular state.

Registration does not imply endorsement.



# Gifts of Securities



# What are Gifts of Securities?

- Most often publicly traded, appreciated stock held “long-term”, meaning at least a year and a day.
- Mutual fund shares, bonds and other types of stock are also possible.

## Benefits of Gifts of Securities

- Avoidance of capital gains tax, partially or completely
- Federal income tax deduction for full fair market value, up to 30% of Adjusted Gross Income per year.
- Tax deduction can be taken over six years if necessary.
- Convert market uncertainty to guaranteed stable income if used for life income gift such as Charitable Gift Annuity.

### Caution. *Tax benefits are lost if:*

- (a) *the stock is sold and then proceeds given;*
- (b) *the stock is worth less than you paid for it;*
- (c) *the stock has been held for one year or less.*

## Methods of Giving

- Outright Gift: Full tax deduction and complete avoidance of capital gains tax.
- Planned Gift: Partial tax deduction, and partial capital gains tax avoidance. Can bring lifetime income through Charitable Gift Annuity or Charitable Trust. Can benefit family or others.

## Optimum Situations for Giving Appreciated Securities

- Holding highly appreciated stock.
- Desiring avoidance of capital gains tax.
- Needing tax deduction in especially high income year.
- Desiring guaranteed stable income through planned gift.
- Desiring increased yield from low-yield asset.

## Example #1: Why Appreciated Securities Are a “Best Bargain” in Charitable Giving

1. You make a gift of stock that you purchased for \$2,000 and it now has a value of \$10,000 and you have owned that stock for more than one year.
2. Tax Savings #1: Avoids \$2,800 in federal income tax. Results from \$10,000 tax deduction with donor in 28% tax bracket, assuming you itemize deductions, and can use the full deduction.\*
3. Tax Savings #2: Avoids \$1,200 capital gains tax. Results from not incurring 15% capital gains tax on \$8,000 appreciation if stock had been sold.
4. Actual cost of \$10,000 gift: \$6,000. (\$10,000 minus \$4,000 tax savings).
5. “Discount” realized on gift: 40%.

Conclusion: A “best bargain” charitable gift.

## Example #2: Convert Low-Yield Asset into Higher Yield Lifetime Income

1. You have long-term held stock that you purchased for \$2,000 and it now has a value of \$10,000 and you have owned that stock for more than one year.
2. Stock dividend is 1.5%, thus earning \$150 annually.
3. Both you and your spouse are age 78 and donate stock for Charitable Gift Annuity.
4. You receive a fixed and guaranteed 6.7% return for your lifetimes, \$670 annually, with 13% of this tax-free for your projected lifetimes.\*
5. You receive a tax deduction of over \$3,900.
6. You pay capital gains tax on only \$4,900 rather than the full \$8,000 capital gains. Tax is paid over 15 years.

*\*Nationally set tax and gift annuity rates, and all figures in these illustrations, can change slightly. Gift Annuity rates are based on donor(s) age at time of gift. The older the donor at time of gift, the higher the rate.*

*Note: Because each person's financial circumstance is unique, we highly recommend consulting your own financial professional before making any type of securities gift. The information in this brochure is provided for educational purposes only, and is not intended to be complete guidance for making securities gifts.*