

# THE LAST, BEST TAX BREAK?

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Buy low and give high  
with appreciated securities.



# PEDDIE

## DON'T WRITE A CHECK JUST YET.

**Wait! Before you write a check to Peddie School, consider this strategic way to give.** It comes with a double tax incentive from the IRS. When you give appreciated securities like stocks, bonds or mutual fund shares:

- You can claim a charitable tax deduction on the full fair value of the securities.
- You pay no capital gains on the transfer.
- The “cost” of your gift to Peddie School may actually be less than the deduction you get for making it. (And it’s definitely less than the cost of making an identical gift in cash.)



## HERE'S AN EXAMPLE:

Dr. McNamara purchased stock for \$7,500 that now has a fair market value of \$20,000. If she contributes the stock to Peddie School, she will be able to claim a tax deduction for the full \$20,000 that her stock is worth today. In addition, she will not be liable for tax on the \$12,500 capital gains upon transfer of her stock. So by using stock instead of cash, Dr. McNamara has made a substantial gift of \$20,000 to Peddie School and secured a tax deduction in that amount—all at a “cost” to her of only \$7,500.

## PLANNING POINTS:

- You can give publicly traded stock, bonds, or mutual fund shares.
- To get the full tax benefits, give securities you have owned for longer than one year.

- Don't sell the stock first, or the IRS will impose capital gains tax on your sale.
- Your gift of stock will be valued as the average of the high and low per-share price for the stock on the day you transfer it to us. If you give shares in a mutual fund, they will be valued at the closing share price on the day of transfer.
- The IRS holds that donors can deduct gifts of appreciated securities up to 30 percent of their adjusted gross income. But a gift in excess of 30 percent is not wasted since you can carry forward excess deductions for five years.

## HOW TO GIVE SECURITIES AND GAIN MAXIMUM TAX BENEFITS

### 1. SECURITIES HELD BY YOUR BANK OR BROKER

Tell your banker or broker the number of shares of each security you wish to give, and instruct them to call us at 609-944-7615 for transfer instructions. Please do not instruct your broker to sell on behalf of Peddie School, and please do not send the securities to a transfer agent for transfer into our name. The date of your gift for valuation purposes will be the date on which the securities actually pass from your control, regardless of when you instructed your broker to transfer them.

*Legal Name: Peddie School  
Tax I.D. Number: 21-0634492  
Incorporated in: Hightstown, NJ*

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**A GIFT OF APPRECIATED SECURITIES “COSTS” LESS THAN AN EQUIVALENT CASH GIFT. SO YOU CAN POCKET THE TAX SAVINGS OR PASS THEM ALONG.**

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### 2. SECURITIES HELD BY YOU

Deliver your certificates or send them by first class mail to us along with a letter of transmittal giving your name, address and the purpose of your gift.

*Please do not endorse or sign the certificates.*

In a separate envelope, deliver or mail to the same address a stock or bond power for the same security, left blank except for your signature. Be sure



to sign the power exactly as your name appears on the stock certificate or bond. Please do not fill in our name as transferee on either the stock certificate or stock power, and please do not send the certificates to a transfer agent for re-registration in our name. The date of your gift for valuation purposes will be the later of the two postmarks on the envelopes you mail us.

### 3. Shares in a mutual fund:

Contact your account representative at the fund and instruct them to call us at 609-944-7615 for transfer instructions.

## YOUR NEXT STEP

Gifts of appreciated securities are simple to arrange and powerful when done right. Discussing your charitable intentions with us can lead to a much better result than going it alone and will ensure that your gift is used just as you wish. Please contact us. We're here to help!

## INTERESTED?

Would you like to learn more about how to support Peddie School and gain significant tax benefits by using appreciated securities to make your gift? Please contact us. We can collaborate with your broker and advisor to make the process as simple and smooth as possible. We're here to help every step of the way.



# PEDDIE

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*Peddie School provides support for a full range of charitable gift planning options and services. Peddie School, its employees or representatives, do not offer legal or financial advice.*