

Tax Time is a Time to Give

There are few better ways to enjoy your good fortune and wealth than sharing it with worthy causes. Here's what you need to know, plus how to get the most out of your charitable giving and from your tax bill.



How big will your tax credit be?



Tax rates differ from province to province. If you live in Alberta and your taxable income is

\$100,000

and give a first-time donation of

\$5,000

your combined provincial and federal charitable tax credits plus your super credit will total

\$2,700¹

Get a super credit if you're giving to charity for the first time

The super credit is based on a contribution up to

\$1,000

Based on that maximum, the super credit increases your tax credit by

25%²

Don't delay, this tax credit will disappear next year.

Don't Miss the deadline

December

31

Procrastinator Alert!

The end of the year — **Dec. 31** — is your last chance to make a donation to charity and claim the tax credit, which reduces your taxable income and supports your favorite cause at the same time. If you are donating securities, the deadline is **Dec. 24**.

Up your donation game

Consider establishing a donor advised fund within the Private Giving Foundation (PGF) for as little as \$10,000 as an alternative to establishing your own foundation. You can also choose the name of your fund and use this to honor someone special in your life. You will receive a charitable tax receipt for donations made to the PGF; it gives you flexibility if you suddenly find yourself with a windfall. It also lets you create a legacy of giving where you can donate now and decide which charities you want to support at a later date. This allows you time to consider where your donations should go, and it can give time for your investments within the PGF to grow tax-free. For more information: tdwealth.ca/privategiving

Adopt a six-step planning model



1 Identify your values

2 Identify your causes

3 Identify your geo-focus

4 Research your options

5 Evaluate your choices

6 Designate your donations

Share the charitable feeling

Tired of buying and getting presents when there are many good causes to give to? CanadaHelps.com lets you buy a donor gift card to give to someone in lieu of a gift. The recipient can use it to donate to their favorite charity online and the charitable tax receipt comes back to you.



More focused giving will have a greater impact

We can be overwhelmed, especially at holiday time, by the vast number of causes that tug at our heart. Don't be scattered when it comes to charitable donations. Do research and make a plan to donate to the charities that reflect your values. Working with an advisor and using a more focused plan (see our model above) will allow you to have a greater impact on the causes that mean more to you.

¹ "Charitable donation tax credit rates," Canada Revenue Agency, last modified, Sept. 15, 2016, accessed Oct. 20, 2016, cra-arc.gc.ca/chrts-gvng/dnrs/svngs/clmng1b3-eng.html#calcex.

"Charitable donation tax credit calculator," Canada Revenue Agency, last modified, Sept. 15, 2016, accessed Oct. 20, 2016, cra-arc.gc.ca/chrts-gvng/dnrs/svngs/clmng1b2-eng.html.

² Canada Revenue Agency, Ibid.

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