

# Tax Efficient Giving for UK Residents – Gift Aid, Shares & Legacies

## 1. Gift Aid

Donating to St Catharine’s through the Gift Aid scheme means that the College can claim an additional 25% on top of your donation, at no extra cost to you. Higher and additional rate taxpayers also can benefit from income tax relief when donating through Gift Aid.

For St Catharine’s to claim Gift Aid on your gift(s) you:

- Must pay the same amount or more in UK income/capital gains tax in the year in which you make your gift(s); and
- Make a Gift Aid declaration that gives the College permission to claim it

Your donations will qualify for Gift Aid as long as they do not exceed four times what you pay in income and/or capital gains tax in that tax year.

**Higher or additional rate taxpayers** can claim the difference between the rate they pay and the basic rate on their donations, either through their self-assessment tax return or by asking HM Revenue and Customs to amend their tax code. For example:

- You donate £1,000 to St Catharine’s. The College claims Gift Aid of £250 and you, as a higher rate taxpayer, can claim back £250 (20% of the gross value of your gift, £1,250).

Your Gift	With Gift Aid	Net Cost to You (40% taxpayer)	Net Cost to You (45% taxpayer)
£1,000	£1,250	£750	£687.50
£5,000	£6,250	£3,750	£3,437.50
£10,000	£12,500	£7,500	£6,875
£20,000	£25,000	£15,000	£13,750
£25,000	£31,250	£18,750	£17,187.50
£50,000	£62,500	£37,500	£34,375
£100,000	£125,000	£75,000	£68,750
£250,000	£312,500	£187,500	£171,875
£500,000	£625,000	£375,000	£343,750
£750,000	£937,500	£562,500	£515,625
£1,000,000	£1,250,000	£750,000	£687,500

For more on the Gift Aid scheme, please visit [www.gov.uk/donating-to-charity/gift-aid](http://www.gov.uk/donating-to-charity/gift-aid) or speak to your financial advisor.

## 2. A Gift of Shares

As a registered charity, gifts of shares to St Catharine’s can attract relief on both income tax and capital gains tax. Costs incidental to the giving of shares, such as broker fees, can also attract relief.

**Capital gains tax relief:** No tax is payable on gifts of shares to St Catharine’s.

**Income tax relief:** Deduct the value of the shares, as determined by their market value on the date of transfer, and incidental costs from your taxable income for the tax year in which the gift is made.

Example:

	Share Value	Income Tax Relief	Cost to You
Basic rate taxpayer (20%)	£10,000	£2,000	£8,000
Higher rate taxpayer (40%)	£10,000	£4,000	£6,000
Additional rate taxpayer (45%)	£10,000	£4,500	£5,500

Tax relief is available to all UK taxpayers donating shares and securities listed on recognised UK and overseas stock exchanges. It is also available for units in UK open-ended investment companies (OEICs) and some similar foreign investments.

You can claim income tax relief on your self-assessment tax return. If you do not complete a return, you can instead write to HM Revenue and Customs with details of your gift and tax relief amount. You will then receive a refund, or have your income tax code changed for the year in question.

**There are two ways you can confer gifts using shares:**

- You assign the shares to St Catharine’s College (charity number 1137463) by nomination on a CREST transfer form and once the shares come under the ownership of the College an immediate sale of these shares by the College will realise the gift value.
- You notify us of your intention to gift shares to St Catharine’s College, stating the number and approximate value. St Catharine’s will provide the appropriate paperwork to allow you to instruct your broker to sell the shares on behalf of the College. The proceeds of sale will then be passed via you (to comply with the Payment Services Directive (PSD2)) into the College bank account. At this point a receipt will be issued by the College for tax purposes.

For further information on the tax benefits of donating shares, please see [www.gov.uk/donating-to-charity](http://www.gov.uk/donating-to-charity) . To discuss a gift to St Catharine’s, please contact the Alumni and Development Office. You should seek professional advice before proceeding with a gift of shares.

## 3. Legacy Gifts

The College’s academic and extra-curricular life has always benefited profoundly from the generosity of Members and friends through legacy giving, and this will continue to be so in years to come. As a registered charity, a gift in your will to St Catharine’s can also attract favourable tax treatment.

### Types of Legacy Gift

**A share of your estate (a “residuary gift”):** After providing for family and friends, you can leave a share of the remainder of your estate to St Catharine’s.

**A cash (“pecuniary”) gift:** You can choose to leave an exact sum of money to the College.

**A specific gift:** The College can also accept gifts of specific items, such as property and shares.

### Tax Treatment of Legacy Gifts

Generally, **inheritance tax** is liable on estates valued at and above £325,000, at a rate of 40%. Legacy gifts are deducted from the value of an estate before inheritance tax is calculated. The rate of inheritance tax applied to an estate is reduced to 36% if 10% or more of the estate is left to charity. For more information, please speak to your financial advisor or visit [www.gov.uk/inheritance-tax](http://www.gov.uk/inheritance-tax).

**Capital gains tax** is not liable on gifts to charity, nor on legacy gifts of assets generally.

### Suggested Wording

*Please note: We recommend seeking professional advice before making or amending your will.*

“I give to the Master and Fellows of St Catharine’s College, Cambridge CB2 1RL (charity number 1137463) the residue / a proportion of the residue of my estate / the sum of £[amount] free of tax for the general purposes of the College and I declare that the receipt of the Bursar or other authorised officer of the time being of the College shall be a good and sufficient discharge to my Executors.”

### The Woodlark Society

The Woodlark Society recognises, in their lifetime, those who have made a legacy gift in favour of the College. We recognise that your will is a personal matter and that you may wish your support to remain private. If, however, you choose to inform the College of your support then we are able to thank you through membership of the Society. Members are invited to a special luncheon in College in December, as well as to the College garden party in June.

*“It was very easy for me to decide to leave a legacy to Catz when drawing up a will, for three reasons: to enable St Catharine’s to continue to provide the great educational and community experience that I enjoyed; to follow the example of my late father, Ansel, who also left a legacy to Catz; and because as a charity trustee I am well aware of the value of legacies as a vital source of funding.” Katerina Gould (1983, Law)*

## 4. College Bank Details

Bank Account Name: St Catharine's College, Campaign Account

Bank Account Number: 60120553

Sort Code: 20-17-68

Barclays Bank

St Andrews Street

Cambridge

CB2 3AA

Charity Number 1137463

IBAN: GB64 BARC 2017 6860 1205 53

SWIFTBIC: BARCGB22

(the last two codes are for overseas transactions)



Alumni and Development Office

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