

## **FACT SHEET FOR DONORS – Testamentary Gifts/Bequests**

---

Have you considered donating to La Trobe University for our teaching programs, research projects, student scholarships or campus buildings?

### **Estate benefits**

Your Estate can claim tax deductions for testamentary gifts/bequests made to the University. Property has a wide meaning and includes physical things, it includes rights and interests that are capable of ownership and have a value.

### **Capital Gains Tax Exemption**

Testamentary gifts/bequests of property of any value are exempt from Capital Gains Tax (CGT). Testamentary gifts/bequests of property can be less than \$5,000 and still gain a CGT exemption.

### **How can the tax deduction be claimed?**

A donation for testamentary gifts can be spread over a maximum period of 5 years at the donor's discretion in the Estate Tax Return. Note that a deduction for a gift cannot add to or create a tax loss.

### **Testamentary gifts/bequests – types of arrangements**

Specific Bequests	University will receive all amounts of cash, securities, life insurance, land or other form of listed property specified in your will.
Residual Bequests	University will receive the remainder of your estate after all other bequests have been made.
Contingent Bequests	University only receives a bequest if the other named beneficiaries die before you.

### **Property Valuations**

Tax Office valuations are made by the Australian Valuation Office (AVO) which is a part of the Tax Office. A deposit must accompany the *Request for valuation* upon lodgement with the AVO. The charge for a valuation is advised upon processing of your *Request for valuation*.

### **What are the characteristics of a *bona fide* gift?**

- a. They are made voluntarily,
- b. They do not provide a material benefit to the donor, and
- c. They essentially arise from 'benefaction, and from detached and disinterested generosity.'

### **How to donate testamentary gifts**

For general enquiries on testamentary gifts donations, phone the University's Taxation and Banking Manager on 03 9479 2068. The tax benefits of donations are subject to prevailing taxation legislation. For further information on donations, visit the Australian Taxation Office website at:

<http://www.ato.gov.au/nonprofit/content.asp?doc=/content/34496.htm>

---

This Fact Sheet does not constitute investment or financial advice and La Trobe University does not offer investment or financial advice. Donors should seek independent professional advice on tax and other implications before making a gift.