

More  
Research  
Less  
Cancer



**Bold Visionaries,  
better futures**

Tax-efficient giving for UK donors



CANCER  
RESEARCH  
UK

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Together we are  
beating cancer



# More efficiency, less tax

To help you make the most of your gifts to Cancer Research UK, here's some guidance on how to consider tax efficiency in your charitable giving.

Our Philanthropy and Legacy teams can give you more advice on a variety of ways to boost your donations, but we recommend you always consult with a professional advisor regarding your personal circumstances.

Drive more  
progress  
with a gift  
in your Will  
today

**Dr Vivian Li**  
Senior Group Leader,  
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# Tax-efficient giving from your estate

## Inheritance tax relief

**If you leave a gift in your Will, you may be able to reduce your inheritance tax liability.**

Gifts to charities are 100% tax-free and are taken out of your estate before tax is calculated. Since April 2017, if you leave 10% of your net estate, after certain deductions, your inheritance tax rate will be reduced from 40% to 36%.



### Top tip

If you inherit money from another person's estate, it's possible to amend their Will by a deed of variation to direct your legacy towards Cancer Research UK instead.

**Example:** The gross estate value is worth £5,000,000 for inheritance tax purposes and a one 'nil-rate band' (£325,000) has been applied, leaving a net taxable estate of £4,675,000

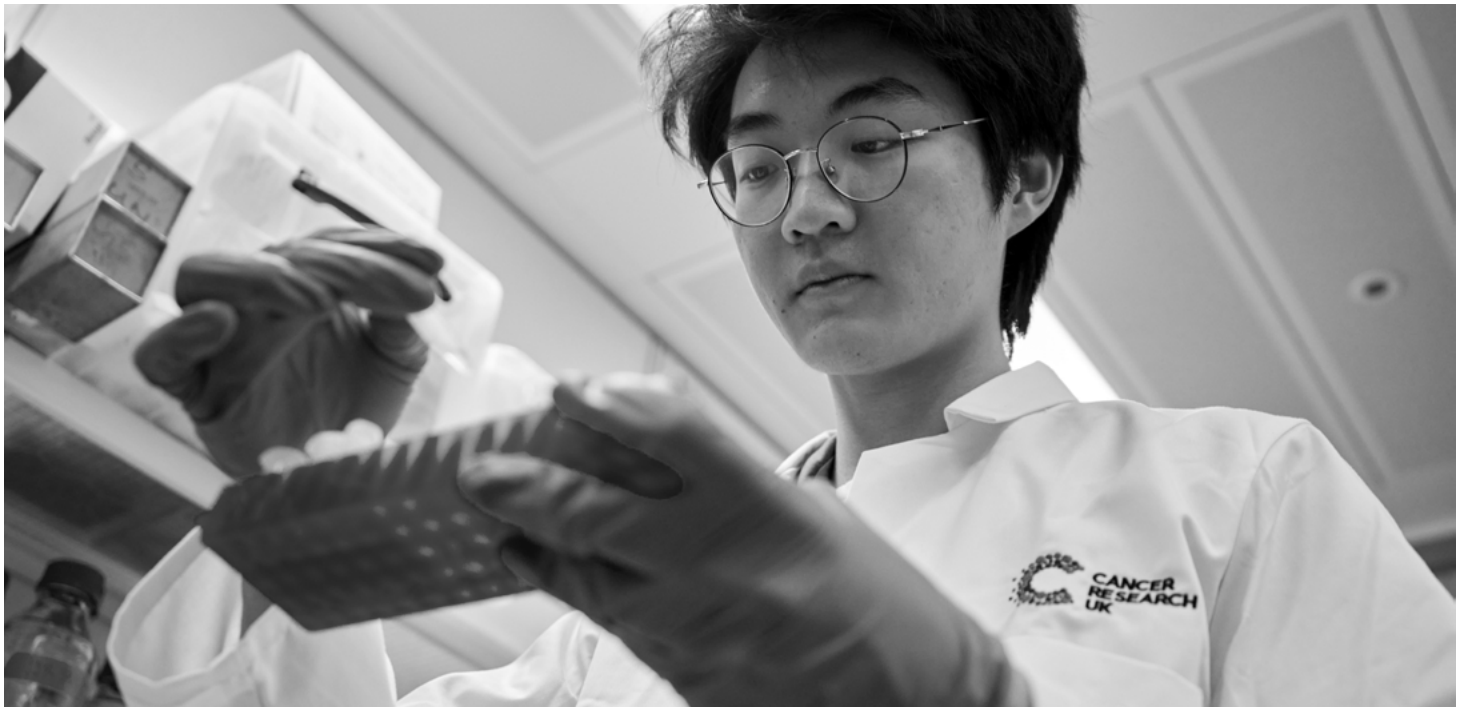
Item	0% gifted to charity	5% gifted to charity	10% gifted to charity
Charitable gift	£0	£250,000	£500,000
Inheritance tax due	£4,765,000 at 40%	£4,425,000 at 40%	£4,425,000 at 36%
Amount of payable tax	£1,870,000	£1,770,000	£1,503,000
Estate balance for distribution	£3,120,000 to beneficiaries £0 to charity	£2,980,800 to beneficiaries £250,000 to charity	£2,997,000 to beneficiaries £500,000 to charity

## More ways to support our life-saving research

- Listing Cancer Research UK as a beneficiary of your life insurance policy.
- Listing Cancer Research UK as a beneficiary of your retirement plan.
- Gifting cash or assets based outside the UK (eg through American Friends of Cancer Research UK).

**If you'd like to discuss any of these options, please contact us.**

**We're happy to discuss the different ways we can accommodate donations and/or arrange a pro bono consultation with an external expert.**



# More ways to give

## Gift Aid

If you donate with Gift Aid, we can claim a further 25p from the government for every £1 you give.

And if you're a higher rate taxpayer, you can claim back the difference between the rate you pay and the basic rate on your donation.



### Top tips

- The cap on the amount of donations that Gift Aid can be claimed for is no more than four times the amount paid in tax in any one tax year.
- Tax relief can be carried back from the current to the previous year and this must be done by the tax return filing deadline. This can be useful if tax has been paid at a higher tax rate in the previous year than you might expect to pay in the current year, or due to cash flow, as it speeds up the refund.

	Cash donation without Gift Aid	Cash donation with Gift Aid
Cost to donor	£200,000	£200,000
Less income tax relief (25% of cash donation + Gift Aid)	-	(£62,500)
Net cost to donor	£200,000	£137,500
Receipt to Cancer Research UK	£200,000	£200,000
Add Gift Aid	-	£50,000
Value of gift to Cancer Research UK	£200,000	£250,000

**Example:** The net cost of a gift to Cancer Research UK. It assumes the donor is an additional rate taxpayer subject to tax at 45% on their marginal taxable income (after allowing for all tax reliefs such as Gift Aid).

# Gifting shares

**Donating your shares is one of the simplest and most tax-efficient ways you can support our work.**

‘Qualifying’ shares you donate are exempt from capital gains tax (CGT) and you can claim income tax relief on the market value of the gift.


Here’s an illustration of the net cost of donating shares to Cancer Research UK. It assumes the original cost of the shares to the donor was £40,000 and that the shares qualify for tax relief. It also assumes the donor pays enough tax at the top rate of tax to be eligible for the income tax relief on the gift and that the donor has exceeded their individual capital gains tax allowance.

**Example:** 20,000 donated shares worth £10 each, original cost £2

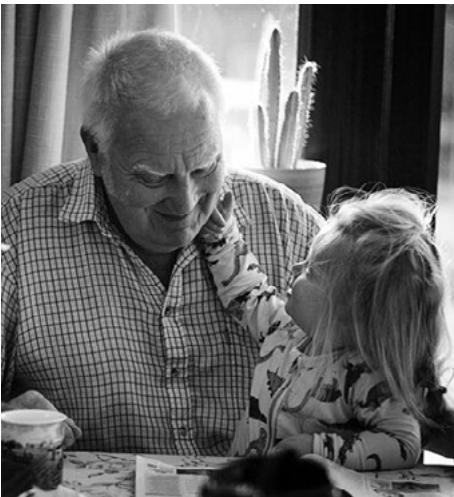
Cost to donor	£200,000 (market value of gift)
Less income tax relief (45% of value of shares when gifted)	(£90,000)
Less capital gains tax saved by not selling the shares (20% of capital gains)	(£32,000)
Net cost to donor	£78,000
Value of gift to Cancer Research UK	£200,000

## Ways to gift shares

- **Use the charity’s letter exchange process** to sell your shares and donate the cash proceeds. By exchanging pre-drafted letters (approved by HMRC), you can claim income tax relief and benefit from not paying CGT.
- **Use an intermediary broker** to sell shares on behalf of the charity. Cancer Research UK has used [stocktrade.co.uk](https://www.stocktrade.co.uk)
- **Use Charities Aid Foundation (CAF)** to facilitate the sale and the acceptance of shares on the donor’s behalf.
- **Use [sharegift.org](https://sharegift.org)** for complicated share transactions, or if you wish to support a variety of charities from a large value share donation.

 **Top tips**

- Have you considered gifting shares with a large in-built gain, rather than selling them first and donating the cash? You can claim the market value of the shares on your tax return and also pay no CGT.
- If you have shares that are standing at a loss, it’s likely better for you to sell these and donate the proceeds instead. This is because the loss can offset any other gains you might have and be carried forward, and there’s no CGT on the sale.



## Donating assets such as land or property

**Tax relief on property is available in the same way as giving shares.**

The market value plus any additional costs (eg legal fees) is the amount you can claim tax relief on in your tax return. If the charity asks you to sell the property, you can still claim relief from CGT if you have records to show the charity asked you to do that. You must donate the entire property for tax relief to apply.

# Lasting legacies, longer lives

Gifts in Wills fund a third of our work, driving transformational progress for future generations. Here are some of the different gifts you can leave in your Will.



## Percentage share

**This is the most beneficial type of gift because it's a percentage of your estate, rather than a fixed amount.**

This means it retains its value and won't be affected by inflation. It may also reduce your inheritance tax liability.

If you'd like to leave this type of gift, here's some suggested wording:

'I give [...] % of the residue of my real and personal estate to Cancer Research UK (insert registered charity number\*) of 2 Redman Place, London, E20 1JQ for their general charitable purposes absolutely and the receipt of the Honorary Treasurer or the proper officer for the time being of Cancer Research UK shall be a complete discharge to my executors.'



### Lump sum

This is a specific amount of money given in a Will. As it's subject to inflation, the value of the gift can decrease over time.

If you'd like to leave this type of gift, here's some suggested wording:

'I give the sum of [in words] pounds (£ [amount in figures] ) to Cancer Research UK (insert registered charity number\*) of 2 Redman Place, London, E20 1JQ for their general charitable purposes absolutely and the receipt of the Honorary Treasurer or the proper officer for the time being of Cancer Research UK shall be a complete discharge to my executors.'

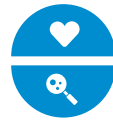


### Specific gift

A particular item, such as a car, jewellery or property. If you'd like to leave a specific gift, here's some suggested wording:

'I give to Cancer Research UK (insert registered charity number\*) of 2 Redman Place, London, E20 1JQ for their general charitable purposes absolutely, my [name and description of item].'

\*Registered charity numbers: England and Wales (1089464), Scotland (SC041666), the Isle of Man (1103) and Jersey (247)



### Life interest trust

If you want a charity to be your ultimate beneficiary, but you also want to ensure adequate provisions for your loved ones who survive you, one option is to include a life interest trust in your Will (or, in some limited circumstances, to settle a life interest trust during your lifetime). A life interest trust effectively gives your spouse or other beneficiaries the enjoyment of your estate (or part of your estate) for their lifetime, while preserving the capital of your estate for your ultimate charitable beneficiary.

When a life interest trust is established, either during your lifetime or upon your death, there may be inheritance tax consequences. We advise you seek legal advice regarding this option to fully understand how the trust works and the tax implications.

## More than 1 in 5

**charity donors aged 40+ now say they've included a gift in their Will to charity. Many people who haven't say it just didn't occur to them. You can change that.**

# More Research Less Cancer

## Bold Visionaries, better futures

To talk about the impact you  
can have, please contact:

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Cover image

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### Disclaimer

Please note, Cancer Research UK is unable to offer advice on an individual's own tax circumstances and we recommend you speak to a professional advisor or visit the HMRC website. The information and opinions contained in this note are for general interest and information purposes only, aren't intended to constitute specific legal, commercial or other professional advice, and shouldn't be relied on or treated as a substitute for specific advice relevant to particular circumstances. Readers should obtain specific legal advice before making or refraining from making any business or personal decisions.