

19<sup>th</sup> December 2016

Dear Planned Giving Contributors,

For many years, parishes have been able to provide tax deductibility to parishioners who contribute to the parish through the planned giving envelopes or direct deposits. Some parishes have been able to offer 100% deductibility while others have offered a lesser percentage depending on the proportion of the contributions that were deposited into parish's School Building Fund (SBF).

The funds in the parish SBF can only be used for educational purposes. For most parishes that included loan interest payments, repayments of principal on school loans and the insurance premiums directly related to the school buildings.

Parents of children who attend the parish primary school are required to pay a School Building Levy (called in the past a Parish Levy). The school collects those funds and in the past the funds raised by levy have been paid to the parish.

The parish has been able to retain in the parish that portion of the levy payment that equalled the funds paid from the parish SBF for educational purposes. If the proceeds of the school levies were greater than the amount paid by the parish, the difference was transferred to the Sydney Catholic Schools Office. In short, the parish never profited from the payment of school building levies rather it provided the opportunity to provide tax deductibility on the planned giving contributions deposited into the SBF.

The Archbishop recently received legal advice stating that due to changes to the Education Act, school building levies can no longer be paid to the parish and accordingly he has informed all parish priests that levies will no longer be remitted to parishes. Monies received from levies will now be retained by the Sydney Catholic Schools Office who will assume responsibility for the payments previously met from the parish School Building Fund.

As a consequence, from 1 January 2017 it will unfortunately no longer be viable for many parishes to maintain the Parish School Building Fund and therefore the parishes will no longer be able to provide tax deductible receipts for the planned giving envelopes or direct deposits. However, a tax deductible receipt for the current nominated percentage will be provided for any contributions to the Parish Planned Giving made for the period 1 July to 31 December 2016.

We sincerely thank all who contribute to the financial support of our parish mission through your contributions to the parish second collection. We are aware that for some parishioners the tax deduction they receive for their Planned Giving contributions is significant while for others it is not important. Unfortunately, it will not be possible to offer a tax deduction for those contributions in the future.

Tax deductibility will still be available for contribution to the Charitable Works Fund appeals during the year. I sincerely apologise for the short notice but I am sure you will agree that it is unavoidable and it is essential that we remain fully compliant with any and all legislative requirements. I sincerely hope that for our financial well-being you will still be able to contribute to our Planned Giving Program so that we can cover our costs and provide a future.

Yours in Christ,



Fr Martin R Maunsell  
**Parish Priest**