

Sample after tax calculation

Payments to LHCS qualify for Charitable Tax donations after deducting a cost per student.– estimated at \$3,000*.

One final tax tip if you plan on paying monthly – it may benefit you to pay the January 1st 2011 payment on December 31st 2010 if you can.

This is an example of the after tax cost of educating children at LHCS

The following examples are based upon a full years tuition payments and uses the **2011/12** school year tuition rates.

<u>Number of children attending</u>	<u>JK</u>	<u>SK</u>	<u>1 FT or</u>		<u>2 FT or</u>		<u>2 FT &</u>	<u>2 FT &</u>	<u>3+</u>
			<u>1 SK &</u>	<u>1 JK</u>	<u>1 FT &</u>	<u>1 SK &</u>			
Annual tuition	\$2,950	\$4,410	\$7,360	\$9,120	\$10,020	\$11,030	\$11,600	\$11,850	\$12,270
Total cost per student for family	\$1,200	\$1,800	\$3,000	\$4,200	\$4,800	\$6,000	\$7,200	\$7,800	\$9,000
Charitable Donation Receipt	\$1,750	\$2,610	\$4,360	\$4,920	\$5,220	\$5,030	\$4,400	\$4,050	\$3,270
Tax savings on charitable donation at marginal tax rate of 40%**	\$700	\$1,044	\$1,744	\$1,968	\$2,088	\$2,012	\$1,760	\$1,620	\$1,308
Actual after tax cost of education	\$2,250	\$3,366	\$5,616	\$7,152	\$7,932	\$9,018	\$9,840	\$10,230	\$10,962

* The Federal Government allows parents/guardians who choose a faith-based school for their children to use a portion of the tuition fees as a charitable donation for income tax purposes. Through a formula, schools calculate what the Federal Government calls the cost per student (CPS). This figure is re-calculated each school year. The CPS is charged for each student attending the school. The CPS is deducted from tuition fees paid and the remainder qualifies as a charitable donation for tax purposes.

** Not all families are taxed at the same rate. Most families should receive a donation credit of at least 40%. Families at the highest marginal tax rate would receive a donation credit of 46%.

NOTE: the above examples are for illustrative purposes only and are not intended to provide accounting or tax advice. Please contact your tax advisor for specific advice or comment pertaining to your specific situation.