

Gifts of Life Insurance – Future dollars only pennies a day

Providing security for a growing family and support in times of unforeseen need are the reasons why most thoughtful people purchase life insurance. But life insurance can also be used as a creative financial tool to fund a gift cost-effectively. You can help ensure a brighter future for those who need it the most in our community... with a gift funded by life insurance. There are several ways you can use life insurance to make your gift to Community Care. You can contribute an existing policy that you already own but no longer need, you can purchase a new one to fund your gift, or you can simply name us as a policy beneficiary while retaining the ownership rights during your lifetime. In each case, your decision will strengthen with Community Care over time and can ultimately benefit your heirs as well.

Example: Ian took out a \$50,000 life insurance policy a few years after he got married. He named his wife Deborah as the beneficiary to provide security for their young family. Today he is a widower and has other assets to leave to his children, so he has decided to have the proceeds payable at death become his gift to CC in memory of his beloved wife. Ian can do this by simply designating the CC as the replacement beneficiary on the insurance policy. Following his death, his estate will be entitled to a donation receipt for the \$50,000 gift, yielding a significant tax credit to be applied against income reported on his final tax return.

Give the Policy Itself

Example: Marisa a dedicated volunteer now in her seventies, has finished paying premiums on her 35,000 life insurance policy. Marisa was at a point in her life where she wanted to give back to an organization that was near and dear to her heart. Since Marisa cannot afford to give up an income-producing asset at this time, she thinks the insurance policy would make an ideal gift. In addition to naming Community Care as beneficiary she also transfers ownership of the policy to our charity. By doing this her gift is made irrevocable, resulting in an immediate donation receipt for the policy's fair market value which translates into a very welcome income tax credit on this year's income tax return.

Give a New Policy

Example: Michael, age 54, has some discretionary income but cannot afford to contribute any of his capital. He purchases a new life insurance policy with a face value of \$100,000 names Community Care as the owner and contributes \$5,600 annually to cover premiums for just ten years, receiving a donation receipt for each premium paid. His tax credit is worth \$2,576 (46% of \$5,600) so the out of pocket cost to assure a legacy gift of \$100,000 is only \$3,024 per year (less than \$10 per day!)

Life Insurance – it can help you fund a truly generous gift tomorrow while realizing attractive tax benefits at an affordable cost today. This information does not constitute legal or financial advice and should not be relied

upon as a substitute for appropriate counsel. We recommend that you seek professional legal, estate planning and/or financial advice before deciding a course of action.