

Gifts of Life Insurance

a little
means a lot



CAMPBELLFORD/SEYMOUR
COMMUNITY FOUNDATION

a living legacy rooted in the community

Gifts of Life Insurance

Life insurance is a popular and practical way to make a significant gift to charity. A gift to the Campbellford/Seymour Community Foundation will be wisely administered through our investment program which will result in a stable source of income to the Foundation for years to come.

Acceptable Assets:

- Any whole life policy (participating or universal) .
- Many term policies (personal)
- Many group insurance policies (personal)

Benefits to the Campbellford/Seymour Community Foundation:

- Immediate access to existing cash value, when policy ownership vests with Foundation
- Assurance of death proceeds if policy is owned by the Foundation and is retained (Term and group insurance policies are often not retained as donors get older)
- Effective tool for building long-term endowment

Benefits to the Donor:

- Donation receipt for cash value and any future premiums paid on transfer of policy ownership
- Small current outlay leveraged into larger future gift
- If policy ownership rights retained during lifetime, no donation receipt for premiums paid, but donation receipt to estate for full value of death proceeds
- Satisfaction of providing a future gift while retaining full control of policy (in cases where donor retains ownership rights of the policy)

Most Appropriate For:

- Persons (generally ages 30-60) who
 - have an older policy no longer needed, or
 - want to make a large gift but have limited resources
- Persons (any age) whose personal needs and family situation may be subject to change
- Individuals with good cash flow, but limited capital assets.

Common Questions & Answers:

Q: What are the ways to give life insurance?

A: A donor can retain ownership of the policy and designate the Campbellford/Seymour Community Foundation to receive all or a fraction of the death proceeds, or the ownership of the policy can be transferred to the Foundation by the donor, relinquishing all or the associated rights.

Q: How to make the death proceeds payable to the Campbellford/Seymour Community Foundation?

A: Name the Campbellford/Seymour Community Foundation as the beneficiary of the policy. The Foundation would then receive the proceeds upon death. You can also make the estate the beneficiary of the proceeds and add a bequest in the Will providing an equivalent amount for the Foundation. While neither method yields any tax credit during a donor's lifetime, both enable the estate to claim a credit on the final tax return after the donor's death.

Q: Can a life insurance gift reduce current income taxes?

A: Yes, if a donor transfers ownership of the policy to the Campbellford/Seymour Community Foundation. A donation receipt will be issued for the cash value of the policy, which is creditable on the donor's current year's return.

Q: What if you do not have an old policy to give?

A: A donor can take out a new policy in the name of the Campbellford/Seymour Community Foundation and spread the payments over a period of years. At the donor's death, the Foundation will receive the full face amount of the policy. Meanwhile, donation receipts will be issued for the premiums paid, thus reducing the actual cost of the gift.

NOTE TO READER:

The purpose of this publication is to provide general information, not to render legal advice. In addition any changes in the tax structure may affect the examples listed in this information. Consult a lawyer or other professional advisor about the applicability of this information to your situation.