

Gifts of Life Insurance



Gifts of Life Insurance are a cost-effective opportunity to transform modest premium payments into a significant gift for the benefit of your community through United Way Simcoe Muskoka.

A gift of life insurance is a worthwhile alternative to a cash gift and allows your generosity to be amplified to have a greater impact. You can maximize your gift for poverty reduction while reducing taxes and leaving more to your family and loved ones.

Ways to Donate Life Insurance

- 1. Name United Way Simcoe Muskoka as the beneficiary of a life insurance policy and your estate will receive a tax receipt for the proceeds of the policy.**
- 2. Take out a new policy with United Way Simcoe Muskoka named as the owner and beneficiary, and receive an annual tax receipt for the premium payments.**
- 3. Transfer ownership of a paid-up policy, with United Way Simcoe Muskoka named as the beneficiary. You will receive a tax receipt for the fair market value of the policy.**
- 4. Transfer ownership of a paid-up policy with United Way Simcoe Muskoka named as the owner and beneficiary. You continue to make premium payments, but you will receive a tax receipt for the fair market value of the policy and annual tax receipts for the ongoing premium payments.**

The Advantage of Donating Life Insurance

When donating a life insurance policy, the best option will depend on whether you seek a tax relief during your lifetime or for your estate. Flexible choices allow you to decide how you want to give and offer tax incentives for donating your policy.

Other benefits include:

- A charitable tax receipt
- Smaller current cash investments leverage into a larger future gift
- Tax savings in your lifetime or for your estate
- In-life recognition through our Honour Roll



Why United Way Simcoe Muskoka?

Poverty is an everyday reality for more than 60,000 Simcoe Muskoka residents. That's a reality that forces people to make the daily choice between going to work or staying home to watch their children, without pay. It's a reality that stops youth from attending a higher education. It's a reality that increases the likelihood of mental and physical health problems.

We want to change that reality, and you can help.

By supporting United Way Simcoe Muskoka, you are giving hope to someone that has to deal with the daily hardships of poverty.

Hope that their house will stay warm for the winter.

Hope that their children will grow up to be the best that they can be.

Hope for a better life.

The Impact of Donating Life Insurance

Ms. Smith has a \$100,000 life insurance policy for which she still pays premiums of \$2,000 a year. The policy also has \$5,000 built up cash value in the policy. She irrevocably transfers it to United Way Simcoe Muskoka.

Here is what happens:

- Ms. Smith creates a future gift when she dies in the amount of \$100,000, filling her with a sense of satisfaction and happiness knowing that her support will have a significant impact on the lives of so many.
- She receives an immediate tax credit of \$5,000, giving her a ~\$2,300 return for her current tax year.
- She receives a tax credit every year that she continues to pay for the policy of \$2,000, for which she gets back approximately 45%.

**Numbers are for illustrative purposes only.*

Next Steps

1. Seek the professional services of a lawyer, accountant, financial advisor or insurance provider to determine which method of donating life insurance will make the most philanthropic and financial impact for you.

2. Contact your insurance provider and our office if you wish to transfer ownership of a policy, create a new policy or change the policy beneficiary to United Way Simcoe Muskoka.

To discuss a gift of life insurance,
please contact:

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