

A
GESTURE
OF
THE
HEART ♦

GIFTS OF LIFE INSURANCE

Leave your values as your legacy



Centraide
of Greater Montreal



GIFTS OF LIFE INSURANCE

Increase the impact of your donation to the Greater Montreal community...

Anyone in good health, and generally people between the ages of 25 and 70, can plan to make a significant contribution to the Greater Montreal community by taking out a life insurance policy.

...at a low cost.

Donating a life insurance policy involves a permanent policy so that you can leave a tax-free bequest in your will that is larger than what you could leave with other investments. A modest annual premium can become a major donation to the Centraide of Greater Montreal Foundation that does not compromise your financial security.

A flexible solution...

If you expect your estate to be heavily taxed or if you would like to benefit from immediate tax credits, you can donate the proceeds from your life insurance policy to lighten your tax burden or that of your estate.

Life insurance proceeds may also be creditor-protected if you name a charity as the beneficiary.

...tailored to your specific situation.

If your needs have changed, you may decide to transfer ownership of an existing policy to the Centraide Foundation. You can also retain ownership and designate the Centraide Foundation as the beneficiary while keeping the option to change beneficiaries at any time.

Note that this document is for information purposes only. We encourage you to contact your legal or financial advisor for more information about the type of charitable gift that best suits your goals and the needs of you and your family.

**Consult
your financial
advisor**

Benefits

This type of gift is for you if you want to:

- Make a significant contribution to your community but don't currently have the liquidity to do so.
- Get rid of a life insurance policy because your personal needs have changed.
- Reduce or eliminate the tax payable by your estate or receive an immediate tax credit.
- Increase the impact of your donation at a lower cost.

WAYS TO GIVE A LIFE INSURANCE POLICY TO CHARITY

Donate the proceeds of your life insurance policy upon your death

While retaining ownership of your existing policy, you can designate the Centraide of Greater Montreal Foundation as its beneficiary. Upon your death, your estate will receive a tax receipt for the proceeds of the policy, which will then reduce or eliminate your estate taxes.

Buy a new policy

You can buy out a new life insurance policy and designate the Centraide of Greater Montreal Foundation as the owner and irrevocable beneficiary of your policy. You pay the premiums to the insurance company and get a tax receipt for the amount of the premiums paid. You will then get a tax credit based on your specific tax rate, which will reduce the net cost of the policy premiums.

Transfer an in-force life insurance policy with remaining premiums

You can designate the Centraide of Greater Montreal Foundation as the owner and irrevocable beneficiary of your policy. When you transfer the policy, you will get a tax receipt for the policy's fair market value established by an actuary. You will also receive a tax receipt for the amount of annual premiums paid.

Transfer a fully paid-up life insurance policy

You can designate the Centraide of Greater Montreal Foundation as the owner and irrevocable beneficiary of your policy. When you transfer the policy, you will get a tax receipt for the policy's fair market value established by an actuary.

An example of generosity

Ms. Giveswell is 59 years old, is healthy and is a non-smoker. She and her spouse give every year to Centraide's annual campaign. They now want to make a significant donation to the Greater Montreal community that does not affect their ready cash. They want to plan this gift without decreasing their son's inheritance. Ms. Giveswell has therefore made a plan to make a generous gift: she has taken out a joint life insurance policy with a death benefit of \$100,000, payable over 15 years, in the name of the Centraide of Greater Montreal Foundation. She gets a tax credit each year for the amount of the annual premium.

Cost of premiums (\$1,200 x 15 years)	\$18,000
Tax receipt received each year	\$1,200
Total usable tax credits (\$600 x 15 years)	\$9,000
Net cost of premiums	\$9,000
Donation to the Centraide Foundation	\$100,000

To simplify the calculations in this example, we applied a 50% tax credit.

The couple continues to contribute to Centraide's annual campaign and, thanks to tax credits, decide to take out another life insurance policy with their son as the beneficiary.

RECOGNITION

Become a member of the Forever Fund...

The Forever Fund recognizes donors who have made a planned gift to Centraide of Greater Montreal, such as a gift of a life insurance policy to the Centraide of Greater Montreal Foundation.

...and inspire the community with a message of hope for future generations!

Your decision to contribute to our community will set an example of how anyone can show their local love in their own way and help build a fairer and stronger Greater Montreal.

Centraide of Greater Montreal's Planned Giving team can help you with the giving process in the strictest confidence. Contact us at 514-350-7295 or heritage@centraide-mtl.org.

