

CARING FOR TOMORROW

LIFE INSURANCE GIFTS

Life insurance can be an excellent giving tool for a donor who wishes to make a substantial gift to Saugeen Shores Hospital Foundation. Moderate, tax deductible deposits are leveraged over time for a significant gift at the time of death.

New or existing life insurance policies may be donated. Usually, some variety of permanent life insurance is used to fund gifts of this type.

FEATURES OF CHARITABLE LIFE INSURANCE:

- | Simple to set up and manage.
- | Irrevocable gift if the Foundation is owner and beneficiary.
- | Tax credits for future premiums paid and Fair Market Value – OR – for donor's estate.
- | Gift not subject to probate fees.

1. RECEIVE AN IMMEDIATE/REGULAR RECEIPT:

When the Foundation is named as both the owner and beneficiary of a new or existing life insurance policy, an irrevocable gift is made – resulting in charitable tax receipts for any future premiums paid and/or for the fair market value of an existing policy for the donor. The Foundation receives the policy proceeds upon the death of the donor. This strategy might be used if the donor can benefit from annual charitable receipts.

Example:

Mr. Blake wishes to leave all his assets to his children but still wants his support of the Foundation to continue after his death. He purchases a new \$100,000 life insurance policy and names the Foundation as both the owner and beneficiary. He receives charitable receipts for all the premiums he will pay. Upon Mr. Blake's death, the Foundation receives the death benefit of the policy plus any accumulated value.



2. BENEFIT YOUR ESTATE:

When a donor names the Foundation as beneficiary of a new or existing policy but retains ownership of it, the gift is revocable – so no immediate tax receipts are issued. Instead, on the death of the donor, the Foundation receives the proceeds from the policy and issues a receipt to the donor's Estate. The resulting tax credits offset taxable income in the year of death. Because the gift passes outside of the Estate, additional savings in probate fees are enjoyed as well. A life insurance gift might be structured in this manner if the donor faces high tax liability in their Estate, due to RRSP/RRIF assets or capital gains income.

Example:

Mrs. Clark purchases a new \$100,000 life insurance policy and names the Foundation as the beneficiary of the policy, but retains ownership of it. Mrs. Clark has modest annual income but will incur a large amount of capital gains income from several investments when she dies. Upon Mrs. Clark's death, the Foundation receives the \$100,000 to purchase high priority medical equipment and issues a tax receipt to be used by the Estate to offset income in the year of death.

ABOUT SAUGEEN SHORES HOSPITAL FOUNDATION:

Our Mission: Inspiring and empowering our communities to invest in advancing healthcare within the Brightshores Health System.

We are one of five Foundations that support Brightshores Health System hospitals in Lion's Head, Markdale, Meaford, Owen Sound, Wiarton and Saugeen Shores. Funds raised are used to purchase medical equipment and support other projects such as facility improvements, medical research and clinical staff education.

No government funding is provided for new and replacement equipment. Donor support is key to ensuring that our Hospital continues to thrive!

PLEASE CONTACT:

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This information provides a brief overview on planning a gift to Brightshores Health System Saugeen Shores Hospital Foundation. It is general in nature and subject to change according to individual circumstances. You should always consult your own professional advisors for detailed information tailored to your own circumstances and to confirm applicable tax benefits.