

INFORMATION BULLETIN

Life Insurance Gifts

Life insurance can be an excellent planned giving tool. Moderate, tax-deductible premiums can be leveraged over time to enable a donor to leave a substantial gift at the time of his or her 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.

Advantages of Charitable Life Insurance

- Tax credits either for premiums paid and cash value or for the donor's estate
- Gift not subject to probate fees
- Simple to set up and manage

Impacts of a Gift of Life Insurance

Action	Results
The donor names Centre Grey Health Services Foundation as owner and/or beneficiary of a new or existing life insurance plan.	. Foundation receives proceeds of the policy on donor's death.
	. Hospital receives funding for essential medical equipment.
	. Donor receives receipt for premium payments <u>or</u> estate receives receipt for policy proceeds.

Two Approaches to Life Insurance Gifts

Canadian legislation allows for two different ways to make a gift of life insurance.

1. Receive an immediate and regular charitable donation receipt.

If you name Centre Grey Health Services Foundation as both the owner and beneficiary of a new or existing life insurance policy, the gift is considered irrevocable – meaning that you will receive charitable tax donations for premiums paid and/or for the cash value built up in an existing policy. The Foundation receives the policy proceeds upon the donor's death.

2. Create a tax benefit for your estate

If you name Centre Grey Health Services Foundation as beneficiary of a new or existing policy while retaining ownership in your own name, the gift is considered revocable and no immediate charitable donation receipts will be issued. Instead, upon the donor's death the Foundation receives the policy proceeds and issues a charitable receipt to the estate.

The resulting tax credits offset taxable income in the year of death. Because the gift takes place outside the estate, there are no probate fees.

Seek professional advice

The Foundation will be pleased to provide general information and advice concerning gift options. However, we encourage you to consult with your lawyer, financial, and/or insurance advisor in planning a gift of life insurance.

About Centre Grey Health Services Foundation

Centre Grey Health Services Foundation is a charitable organization that raises funds to support the purchase of essential medical equipment at Grey Bruce Health Services Markdale site. The Foundation is governed by a volunteer Board of Directors drawn from the area served by our hospital. This includes Grey Highlands and portions of Chatsworth, Southgate and West Grey municipalities.

There is a constant need for new and updated medical equipment at our hospital. In most cases, the Province doesn't provide funding for such equipment. Our mission is to make sure that residents of, and visitors to, Centre Grey will continue to have access to the best medical technology. Your gift of life insurance can play an important role in making this possible.

The legal name of our Foundation is **Centre Grey Health Services Foundation**. Our charitable registration number is 890634025 RR0001.

For more information, please contact the Foundation office. All discussions are confidential.