UNIVERSITY OF OTTAWA
HEART INSTITUTE
INSTITUT DE CARDIOLOGIE
DE L'UNIVERSITÉ D'OTTAWA

FOUNDATION
FONDATION

Bringing the Future Closer

Gifts of Life Insurance

A gift of life insurance enables you to make a significant contribution to the Heart Institute at a small cost to you, while receiving tax benefits.

- Have you wanted to make a large gift to the Heart Institute, but cannot afford to?
- Do you have an existing policy on which premiums are owing, and you have achieved financial stability that the policy is no longer needed?
- Do you have a paid-up policy that your beneficiaries do not need any more?

If your answer is "yes" to any one of those questions, you may want to consider a life insurance contribution to the Heart Institute. Create a substantial legacy with a minimal outlay of cash! Here are some examples of how you can make a life insurance contribution and receive tax benefits.

Example:
Purchase a new policy naming the Heart Institute as owner and beneficiary

Nancy is 45 years old and is a non-smoker. She currently makes annual contributions to the Heart Institute. She also wants to make a substantial gift, but cannot afford a large cash contribution. After talking with her insurance advisor, she decides to purchase a $100,000 permanent life insurance policy and arrange for the University of Ottawa Heart Institute Foundation to become both the owner of the policy and the beneficiary of the proceeds. Nancy will pay the premiums directly to the insurance company.

The benefits to Nancy are:

- she will receive charitable tax receipts for the premiums paid;
- the insurance proceeds will not form part of her estate and will be free of probate fees.

Example:
Transfer an existing policy with premiums still owing

Long-term supporters of the Heart Institute, Don and Sara B. want to leave a legacy to the Institute. Don has a whole life insurance policy with a face value of $100,000, on which they are making premium payments of $1,300 per year. The cash surrender value of the policy is $5,400.

After examining their assets, they realized that their other investments are sufficient to meet their family needs and would donate the life insurance policy. After consulting with their insurance advisor, they arranged to transfer the ownership of the policy to the University of Ottawa Heart Institute Foundation and to continue paying the annual premiums.

The benefits to Don and Sara are:

- they will receive a charitable tax receipt for the cash surrender value of $5,400;

University of Ottawa Heart Institute Foundation
40 Ruskin Street, Room 2408
Ottawa, ON, K1Y 4W7
foundation.ottawaheart.ca

For more information, please contact:
Selva Trebert-Sharman
613-696-7251 strebert@ottawaheart.ca

UNIVERSITY OF OTTAWA HEART INSTITUTE
INSTITUT DE CARDIOLOGIE DE L'UNIVERSITÉ D'OTTAWA
FOUNDATION
FONDATION

Gifts of Life Insurance

- they will receive a charitable tax receipt each year for the annual premium of $1,300;
- the insurance proceeds will not form part of Don's estate and will be free of probate fees.

Example:
Transfer a paid-up policy to the Heart Institute

Bill has a paid-up policy with a face value of $100,000. He and his wife, Ruth, are at the point in their lives where they are financially secure and do not need the policy anymore. They have wanted to give more to the Heart Institute than their annual contribution, so they decide to donate the policy. The cash surrender value of the policy is $48,000 and the adjusted cost base is $10,000, resulting in a gain of $38,000*.

The benefits to Bill and Ruth are:

- they will receive a charitable tax receipt for the cash surrender value of $48,000, to offset the tax* charged on the gain;
- the insurance proceeds will not form part of Bill's estate and will be free of probate fees.

* If the cash surrender value of the policy was equal to the adjusted cost base, there would be no gain, therefore no tax would be payable.

Example:
Name the Heart Institute as a direct beneficiary of an individual policy or a policy of a group plan

Chris earns a moderate income and is leaving all his assets to his family upon death to ensure their financial security. Chris also wants to leave a major contribution to the Heart Institute to show his gratitude for the care that his father received. He is able to do so by designating the University of Ottawa Heart Institute Foundation as a beneficiary of his group life insurance policy offered in his benefits package at work.

The benefits to Chris and his family are:

- his estate will receive a charitable tax receipt for the value of the contribution;
- the insurance proceeds will not form part of Chris' estate and will be free of probate fees.

If he wishes to do so, Chris will also receive the same benefits by designating the Heart Institute as a beneficiary of a policy for which he is the policyholder and the life insured.

Please note that these examples are for illustration purposes only. Since each personal financial and tax situation is unique, please consult with your legal or tax advisor to ensure that you receive a full and accurate explanation of the benefits to you of your charitable gift.

University of Ottawa Heart Institute Foundation
40 Ruskin Street, Room 2408
Ottawa, ON, K1Y 4W7
foundation.ottawaheart.ca

For more information, please contact:
Selva Trebert-Sharman
613-696-7251 strebert@ottawaheart.ca