



Searching for a way to make a more sizable gift? Do you have an existing policy for which you are still paying premiums? Do you have a policy on which premiums are paid in full? Are you looking for a unique way to support the Heart Institute as part of your legacy?

Gifts of life insurance are unique because they provide you with the ability to make a more significant future gift by way of more affordable monthly premiums during your lifetime; and they can be customized to fit within your charitable giving and estate plans.

Certain gifts of life insurance will provide you with a tax credit during your lifetime and others will provide the tax benefit to your estate. In addition, gifts of life insurance can be administered outside of your estate, avoiding probate and administrative fees.

Following are some examples and the tax benefits associated with each:

Example - Purchase a new policy naming the Heart Institute as owner & beneficiary

- Nancy purchases a \$100,000 policy and transfers ownership to the Heart Institute
- Nancy will pay the premiums directly to the insurance company
- Nancy will receive charitable tax receipts for the premiums paid annually

Example - Transfer an existing policy with premiums still owing

- Don has a \$100,000 policy on which he and his wife Sarah are making premium payments of \$1,300 per year. The cash surrender value of the policy is \$5,400
- Don & Sarah transfer ownership of the policy to the Heart Institute and to continue paying the annual premiums
- Don and Sarah will receive a charitable tax receipt: for the cash surrender value of \$5,400, to offset the tax charged on the gain; and, each year for the annual premiums of \$1,300

Example - Transfer a paid-up policy

- Bill has a \$100,000 paid-up policy which he and his wife Ruth transfer to the Heart Institute
- 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 (50% of capital gain is taxable)
- Bill and Ruth will receive a charitable tax receipt for the cash surrender value of \$48,000, to offset the tax charged on the gain

Please note that these examples are for illustration purposes only. Your personal financial and tax situation is unique and tax rates and charitable gift policies can differ by province.

Please consult with your legal or financial advisor to ensure that you receive a full and accurate explanation of the benefits to you of your charitable gift.