

Use life insurance to increase the financial impact of your donation.

You may be someone who gives regularly to charitable organizations that are meaningful to you and your family. You may wish you could do more, and have a more significant impact for the charity. Is there a way to increase the financial impact of the dollars you already give? The good news is that there is, using a tool you already know about: life insurance.

At its simplest, life insurance is built to multiply the impact of your deposits. You pay a regular 'premium', and the insurance company will pay out a 'death benefit' when you die. This lump sum amount can be many times the amount you pay in premiums, and goes to whomever you chose –the 'beneficiary'. The easiest way to use life insurance to support a charity is to make them the beneficiary of a policy. The charity will receive the death benefit, and your estate gains a donation receipt that can offset taxes. You continue to own the policy and can make changes to it, but the premiums you pay are not considered charitable donations.

If you want your premiums to count as charitable donations instead, you can make the charity the owner and the beneficiary of the policy. Some types of life insurance not only have a death benefit, but also collect a 'cash value' inside of the policy. When you gift an existing policy, you will get a donation receipt equal to that professionally calculated fair market value. As well, you will continue to receive donation receipts for the premiums you pay in the future. It will not create a donation receipt for your estate –you get the tax benefit during your lifetime.

You may already be contributing to your favourite charity on a monthly basis. If you are looking for a way to increase the impact of the dollars you are already giving why not consider making this gift as a premium payment? The Alzheimer Society of B.C. has been the grateful recipient of many gifts of life insurance and encourages you to speak with your financial planner about this and other ideas to increase the impact of your donations now and in the future.

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