

# Planned Giving

## Gifts of Life Insurance

A gift of life insurance is an affordable way to arrange a significant future gift for the church without diminishing your current financial resources.

There are several ways to create a gift of life insurance.

If you already have a policy, you can change the beneficiary to the United Church. Because this is a revocable gift, we are unable to issue you an immediate tax receipt, but your estate will be issued a receipt for the entire amount in the year the gift is received.

You can purchase a new policy on your life with the church as owner and beneficiary. The church will issue a tax receipt for the annual premiums you pay after transferring the policy. In this case, no tax receipt will be issued to your estate.

You can transfer the ownership of an existing policy. The church will issue you an immediate tax receipt for a portion of the policy's cash surrender value, if any. The church will also issue a tax receipt for any annual premiums you pay after transferring the policy. In this case, no tax receipt will be issued to your estate.

### Benefits of Gifting Life Insurance

- You have the satisfaction of knowing your planned gift will support transformational ministry.
- Policies are easily obtained through an insurance company or broker.
- Depending on health and age, you create a substantial future gift with small payments now.
- The final value of your policy will be far greater than the premiums you pay. Tax credits for those premiums could help offset your costs even more.
- A gift of life insurance does not reduce the size of your estate.
- The gift goes directly to the church upon your death and is not considered a part of your estate. In this way, you avoid probate fees.

**“We grew up with faithful Christian parents in our respective homes in Holland. Canada has been for us a sort of ‘promised land,’ and the church has continued to be a vital part of our lives. The church can make a difference in the community and bring blessings to people everywhere. We felt that a gift of life insurance would be one way that we could express our deep gratitude to God, the church, and this wonderful country.”**

**—John and Bertha Abma, Ladysmith, BC**



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The information provided is for donors to The United Church of Canada. We have made every effort to ensure accuracy, but the information may not apply in every situation. Please check with your personal professional advisers.

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## An Example of Generosity

Ms. J., aged 45, wanted her congregation to receive a significant future gift to help replace her givings to the church after she dies. However, she needed to keep her current capital assets intact. Ms. J. learned that she could get a “term-to-100” life insurance policy of \$150,000 that is guaranteed to be paid in 10 years. As a non-smoker, her policy will cost about \$3,000 per year.

Total premiums paid	\$30,000 (10 years x \$3,000)
Total amount of charitable receipts issued	\$30,000
After-tax* cost of policy	\$16,200

Because of the charitable donation receipts she received, Ms. J. was able to provide a substantial future gift of \$150,000 for her church for a net after-tax cost of only \$16,200.

\*Assumes a combined provincial and federal charitable tax credit of 46 percent (after the first \$200 in charitable givings).

## For More Information Contact:

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