



CHARITABLE GIVING

Canadians by nature are giving people. We care about our community and institutions that support the less fortunate than ourselves. We volunteer our time, support various causes and make charitable donations throughout the year. For some, there are times when making a significant contribution brings out the philanthropist in us.

Charitable giving, when done properly can benefit both the individual and society at the same time. For a relatively small amount, a large donation can be made to any cause with a large impact and provide a significant tax break.

“

Charitable giving, when done properly
can benefit both the individual and society
at the same time. ”



The Role of Life Insurance

Using life insurance to create a charitable gift is not new. But many Canadians don't always see how simple it can be to make a large contribution, making an equally large difference in their community for their favourite cause.

A charitable giving strategy can make the biggest difference with a small amount of cash up front. The added benefit of this philanthropic gesture is the ability to either receive a tax credit each year, turning premiums into charitable donations (charity would own the policy) or pay the insurance proceeds at death through the estate (owner maintains control), creating a large tax credit, thus reducing taxes paid by the estate and leaving a sizable gift to the charity.

The Cost of Waiting

There is a cost to putting off the purchase of life insurance. In fact, there are three;

- Premiums go up as age increases
- Change in health impacts eligibility
- Dying before applying means a charitable organization will miss out of receiving a meaningful gift and no potential tax benefits for the individual's estate.

Next Steps

Charitable Giving can be done in four simple steps:



1. DETERMINE NEEDS

Calculate the amount of premium/donation needed or the amount of bequest desired for the charity.



2. DETERMINE ELIGIBILITY AND PRODUCT

Complete the health questionnaire and select the best life insurance product that fits the current health status of each applicant. The product should be a whole life plan, especially if premiums will be treated as a donation.



3. SUBMIT APPLICATION

Once both needs and products are selected, an application can be submitted in as little as 15 minutes.



4. CHOOSE A TAX OPTION

If the goal is to use the assigned policy to create a tax receipt at death, no change in policy ownership necessary. If the goal is to use the premium to receive a taxable receipt each year, an eligible charity must be chosen and must become the policy owner.

Caution: *It is possible to use term life insurance when creating a charitable gift, but only when donating through a will to create a charitable receipt at death.*

Assumption Life Solutions

We can offer many product options that support any charitable giving strategy, including no medical exam options available through Assumption Life. Assumption Life offers multiple solution options to help protect what matters most.

Ask us about creating a lump sum payment opportunity to maximize the charitable tax donation using our annuity funded life insurance strategy.

.....
For more information on Charitable Giving, please contact your Assumption Life advisor.



Assumption Life

www.assumption.ca