
A donation of life insurance enables you to leave a meaningful legacy that reflects your values and is cost-effective. No matter which option you choose, you can be confident that you will make a lasting impact and support a cause close to your heart.

Options – Gifts of Life Insurance

- **Naming the Foundation as a Beneficiary:** This option allows you to [retain control of your life insurance policy](#) since you remain the owner, but you designate the Foundation as the beneficiary, either in whole or in part, of the proceeds of your policy at the time of your death. [The Foundation will receive the proceeds from the policy](#), and [your estate will receive the tax benefits](#) for the same amount, which could reduce the tax burden on your heirs.
- **Donating a New Life Insurance Policy:** You can [purchase and transfer the ownership of a new life insurance policy to the Foundation](#), which will also be the beneficiary. This option allows you to give an amount greater than the premiums paid, and you receive a [tax receipt for the value of the premiums paid during the year](#), which in turn reduces the overall cost of your donation. It can be a worthwhile option that can complement your annual gift, thereby increasing the value of your donation. It is important to note that no receipt will be issued to your estate, as you will have received the tax benefits during your lifetime.
- **Donating an Existing Life Insurance Policy*:** You can transfer the ownership of an existing life insurance policy that you took out several years ago and no longer need. You will receive a [tax receipt for the policy's market value](#) at the time of the [ownership transfer to the Foundation](#). You will also receive a tax receipt for the value of the premiums paid during the year, if applicable.

Next steps

1. Speak to your insurance broker to determine the terms of your existing life insurance policy or the possibility of purchasing a new one.
 2. Contact the Foundation to share your intentions and notify them of your gift so they can express their gratitude.
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* The transfer may generate a taxable capital gain if the buyback value exceeds the adjusted cost base of the policy. Speak to your financial advisor to ensure that this is a tax-effective option for you.

Donation example

- Mrs. Gagnon holds a fully paid life insurance policy with a death benefit of \$50,000, which she has had for many years.
- She wants to make a significant donation by transferring the ownership of this policy.
- Based on the information she has obtained from her insurer, the cash surrender value for the policy is \$13,000 and the adjusted cost base is \$5,000. The current market value determined by an actuary is \$27,000.

Donation of existing life insurance policy

Death benefit (amount of the donation)	\$50,000
Cash surrender value	\$13,000
Adjusted cash basis	\$5,000
Taxes due <i>([\$13,000 - \$5,000] x 50%)</i>	(\$4,000)
Market value of the policy (receipt for the donation)	\$27,000
Tax credit for the donation <i>(\$27,000 x 50%)</i>	<u>\$13,500</u>
Net tax credit <i>(\$13,500 - \$4,000)</i>	\$9,500

Scenarios are for illustrative purposes only. To simplify the calculation, the tax rate and tax credit rate were rounded to 50% for a donation made in Quebec.

To discuss your giving options and to learn more, please contact:

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