



**Heart
&Stroke™**

Get the facts: Gifts of Life Insurance

Do you want to make a meaningful donation to Heart & Stroke at a relatively low cost, save on taxes, and protect the full value of your estate for your future heirs at the same time?

A gift of Life Insurance might be right for you.

Most people own some type of life insurance, but few understand how flexible a tool it can be for financial planning. Life insurance offers more than just protection for emergencies. It allows you to build up savings on a tax-sheltered basis to increase your retirement income or provide replacement income for your dependents if something should happen to you.

How does a gift of Life Insurance work?

Option #1: Name the Heart and Stroke Foundation as OWNER and BENEFICIARY of an existing or new life insurance policy.

- In this case, you transfer ownership of an existing permanent life insurance policy to Heart & Stroke.
- Depending on the state of your health, you may also purchase a new permanent life insurance policy for ownership by Heart & Stroke. You will receive donation receipts for the savings that have already built up in the policy (if any), and the value of all future premiums you pay. Therefore, you benefit from tax savings during your lifetime.
- This gift arrangement is irrevocable, which means you cannot change the arrangement, once finalized.

Option #2: Name the Heart and Stroke Foundation as BENEFICIARY of an existing or new life insurance policy.

- In this case, you retain ownership of the policy.
- Your estate will receive a donation receipt for the value of the policy proceeds paid to the Foundation upon your death. While you will want to make annual premium payments to keep the policy in force, you cannot receive donation receipts for the premiums paid on the policy during your lifetime. The tax credit may be used to reduce the taxes that become payable by your estate in the year of your death.
- This gift arrangement is revocable, allowing you to change the beneficiary on the policy at any time, should you so choose.
- You can also name Heart & Stroke as beneficiary of a group insurance policy made available through your employer. Your estate will also receive a donation receipt for the value of the proceeds paid to the Foundation upon death. (Option 1 is not possible with a group insurance policy.)

How does a gift of Life Insurance benefit you?

- It's a great way to increase the size of your gift to Heart & Stroke, with little or no decrease to the amount of money you have available to spend today.
- A gift of Life Insurance can produce a tax saving annually OR a tax saving for your estate in the year of death. You can decide how you want to arrange your gift, depending on your personal goals and tax needs.
- With a gift of Life Insurance to Heart & Stroke, the full policy benefits will be paid directly to us after your lifetime. Your gift will not be subject to probate, management or professional fees, and will generally be paid by the insurance company quickly. And unlike a bequest in your Will, a gift of life insurance is not subject to Will challenges. Your gift to Heart & Stroke will occur, exactly as you intended.
- Give the gift of Life Insurance to Heart & Stroke today, and enjoy the pleasure of knowing that you are making a significant difference towards sustaining life-saving heart and stroke research.

What else should you consider?

- During your lifetime, the donation limit is 75 per cent of net income. This increases to 100 per cent of your income in the year of death. Any excess tax credits in the year of death can be used to recover a portion of the previous year's tax, also to a maximum of 100 per cent of income for that year. Overall, the income tax your estate pays is greatly reduced, maximizing the value of the estate available to your heirs.
- If you have the means, consider making a sizable donation today. This way, you can take advantage of the charitable tax savings right away. Unused donation tax credits can be carried forward for up to five years.
- Take your health into consideration. The cost to purchase a new insurance policy to donate to Heart & Stroke may be high if you are in poor health and don't have an existing policy in place.

heartandstroke.ca/legacy



Heart and Stroke Foundation of Canada – Charitable Registration #: 10684 6942 RR0001

This material provides general information and is not intended to constitute or replace specific professional advice. Donors considering a legacy gift should speak to an advisor with appropriate tax and other expertise to implement a strategy that achieves their objectives.

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