

FACT SHEET

Gifts of Life Insurance

Many Canadians own some type of life insurance as it allows for the accumulation of tax-sheltered funds and provides heirs with quick access to financial resources. A Gift of Life Insurance may be appealing if you: are under 50 and in good health, would like to make a large gift for a relatively small financial outlay, and your family no longer requires the life insurance proceeds.

Why is a gift of Life Insurance beneficial?

Simple & Convenient – The transaction is simple. Your life insurance agent can advise you on the type of policy that would best fit your needs. In addition to custom design your program and carry out the necessary paperwork.

Cost Effective – A low-cost way to make a larger gift than you might otherwise be able to, without depleting your current assets now, or your estate later. The value of your policy will be far more than the premiums you pay.

Tax Advantages – A gift of life insurance can produce tax relief annually for the premiums paid or a tax credit for your estate in the year of your death. You and your financial advisor can determine how to structure your gift to save tax for you during your lifetime or for your estate. During your lifetime, the donation limit is 75% of net income, and increases to 100% of your income in the year of death. Any excess tax credits generated in the year of your death can be carried back one year, and applied to recover a portion of that year's tax to a maximum of 100% of income for the previous year.

Eliminates Probate, Legal & Executor Fees – Life insurance is not subject to probate costs or delays in settlement.

Privacy – Life insurance is not a matter of public record and allows you to remain anonymous. Unlike a Will, the gift cannot be contested.

Peace of Mind – You can arrange the gift and be assured that it will occur just as you planned. After a quick claim process, the proceeds are paid directly to Kinvia

Estate Preservation – The proceeds of your estate left to your family is not diminished because life insurance, by its very nature, creates an additional, separate estate.

Recognition – Your gift can be honoured during your lifetime.

Opportunity – An opportunity to make a significant gift to reduce the impact of poverty on children.

How does a gift of Life Insurance work?

There are a number of easy ways to make a gift of **Life Insurance** to Kinvia.

- You can take an **existing** permanent policy that has finished serving its original purpose and simply have the ownership and beneficiary designation transferred to Kinvia. This designation is irrevocable and cannot be changed.

A charitable tax receipt will be issued for the worth of the policy at the time of transfer. Any continued premium payments also qualify for a charitable tax receipt.

Please note that there are tax advantages to retaining existing policies. Kinvia strongly recommends that you discuss this matter with your insurance agent before any transfer takes place.

- You can purchase a new life insurance policy. After your first premium payment, Kinvia is named as the owner and beneficiary. You continue to pay the premiums and receive a charitable tax receipt for those payments. This designation is also irrevocable and cannot be changed.
- You can name Kinvia as the beneficiary on your individual or group life insurance.

You retain ownership of the policy and can change the beneficiary designation at any time. However, you will not receive a charitable tax receipt for any premiums paid during your lifetime. Your estate will receive a charitable tax receipt for the value of the policy proceeds paid to Kinvia. If you are a salaried employee and have a benefit plan that has a death benefit component, consider naming Kinvia as the beneficiary; it is an easy way to make a planned gift.

Please Seek Expert Advice:

Kinvia strongly recommends that you seek professional advice to ensure your financial goals are considered, your tax situation reviewed, and your planned gift is tailored to your circumstances. For further information and sample Will bequest clauses, please contact Fawad Iqbal – *Senior Manager Partnerships*, at fiqbal@kinvia.ca

Gift Notification

Notifying us of your gift allows us to thank you personally, plan for future programs and projects that impact children around the world.

***Thank you for assisting us in our quest to create a world in which children thrive,
free from poverty by considering making a planned gift to Kinvia.
We cannot achieve this vision without you!***

Name: _____

Address: _____

City: _____ Province: _____ Postal Code: _____

Date of Birth: _____ Telephone: _____

Email: _____

Type of Gift

Yes, I have made provision for Kinvia and you may note my file as follows:

- ☐ Outright bequest in my Will \$ _____
- ☐ % of my estate in my Will _____ %
- ☐ Trust under my Will with Kinvia as the final beneficiary
- ☐ Publicly Traded Securities and/or Mutual Funds approx. \$ _____
- ☐ Registered Assets – RRSP or RRIF approx. \$ _____
- ☐ Life Insurance Policy approx. \$ _____
- ☐ Other _____

Recognition

☐ **Yes**, I would like to be recognized for my gift, allowing other donors to understand how making such a gift can help children throughout the world.

☐ **No thank you**, I would not like any type of recognition, and I would prefer my gift to remain private.

Date: _____ Signature: _____