

Gifts of Life Insurance

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The materials available on this website are for informational purposes only and not for the purpose of providing financial, legal or accounting advice. You should contact your attorney, accountant and financial advisor to obtain information on any particular issue or problem. The opinions expressed at or through this site may not reflect the views of Give Something Back or any one individual. All potential donors should consult the Internal Revenue Code of 1986; specifically, the section entitled "Exempt Organizations Examination Guidelines" (Section 4.76.51) for additional information.

DONATING GIFTS OF LIFE INSURANCE

A donor can provide now for a future gift to Give Something Back by naming the charity as the owner and beneficiary of the life insurance policy. The donor also agrees to make annual payments to Give Something Back amounting to the premium payments, which generate additional charitable tax deductions. Once the policy matures, the proceeds are paid to the charity and the finances are applied to the charitable purposes designated.

When a donor donates an insurance policy to Give Something Back while alive, the donor immediately receive an income tax deduction for the current value. The donor is then requested to pay any future premiums to keep the policy active, and these payments are also tax deductible.

If the donor retains ownership of the policy, benefits payable to Give Something Back at death can save federal and state estate taxes depending on the size of the donors' estate and their state of domicile.

WHAT ARE THE BENEFITS?

- The donor can make a significant gift from income instead of capital.
- The donors' continued gifts, which offset the cost of the premium payments owed, become fully tax deductible.
- The donor builds future financial strength by mitigating future tax obligations.

WHO SHOULD CONSIDER DONATING A LIFE INSURANCE POLICY?

- A younger donor who wants to make a significant future gift.
- A donor whose estate probably won't have substantial assets to distribute to nonfamily members.
- A donor who is able to make a commitment to provide donations that will offset Give Something Back's premium payments on the policy.
- A donor who wants to make a significant gift to charity, but doesn't have the resources to do so.

HOW DO I ARRANGE A GIFT FROM MY LIFE INSURANCE?

Contact your life insurance company and request a "Change of Beneficiary/Ownership" Form. Designate Give Something Back as the new owner and beneficiary of your policy.

DISCLAIMER REGARDING RESTRICTED/DONOR DIRECTED GIFTS

"If such use (donor directed funds) should prove to be impracticable or undesirable for any reason as the Trustees may determine, in their sole discretion, they shall then provide for alternative uses of the funds in a manner consistent with and reflecting the spirit of the original gift."