

Charitable Gift Plus Annuity

Life insurance offers an attractive method for making charitable gifts to benefit Saint Mary's University. A gift of life insurance can produce substantial tax benefits, while allowing you to leverage a relatively modest investment into a large donation.

Gift of an Existing Policy

For example, you may give a policy that is fully or partially paid up and take an income tax deduction for the value of the policy, (which generally approximates the cash surrender value). When you assign ownership of the policy to Saint Mary's, you will receive a tax receipt equal to the cash surrender value of the gifted policy and, where applicable, tax receipts for subsequent premium payments.

Gift of a New Life Insurance Policy

You may choose to purchase a new policy that names Saint Mary's University as owner and beneficiary. Since the gift is irrevocable, you will receive a tax receipt each year equal to the premium paid to the insurance company. Designation of Charity as Beneficiary of a Life Insurance Policy A donor may also name Saint Mary's University as a beneficiary of an existing life insurance policy, retaining ownership during life, but payable at death for support of Saint Mary's. When you name a charity as beneficiary on your life insurance policy, your estate will receive a donation receipt for the proceeds of the policy. The life insurance proceeds will pass outside your estate and will not be subject to probate tax.

Wealth Replacement Insurance

Wealth replacement insurance can be an attractive option for donors who wish make a charitable gift and at the same time make sure that their families, and friends are still provided for. A life insurance policy with a face value equal to the amount contributed to charity is purchased and the children are named as beneficiaries. The policy proceeds, payable at the death of the parents, replace the asset that had been removed from their estate for a donation.

Depending on the age and health of the donor, it may be possible for the donor to use the tax savings resulting from the gift to pay premiums on the life insurance policy, giving the designated beneficiaries a tax-free inheritance of a value equal to or greater than the charitable donation.