



## Gifts Of Life Insurance

There are several ways that you can use a life insurance policy to benefit the work of Variety – The Children’s Charity of Ontario and our children with special needs.

**An Existing Whole Life or Universal Life Policy:** You can use a ‘whole life’ insurance policy that you presently own and change the owner and beneficiary to Variety – The Children’s Charity of Ontario. If you choose to continue making premium payments, Variety will provide an annual tax receipt for the full amount of your premium payments. You will receive a tax receipt for the donation of the policy’s cash value, for your current year’s return.

**A New Policy:** You can take out a new ‘whole life’ insurance policy making Variety – The Children’s Charity of Ontario the owner and beneficiary, and receive a tax creditable receipt for the amount of the annual premium.

You can also name Variety– The Children’s Charity of Ontario as just the beneficiary only of the policy. However in this case, Revenue Canada does not allow a tax receipt to be issued.

There are many advantages of using a life insurance policy to make a charitable gift to Variety – The Children’s Charity.

- You can choose from a full range of products, price ranges, and payment periods to suit your circumstances;
- Your gift is not subject to final income taxes, probate fees or estate debts;
- You can make a substantial future gift through relatively small monthly, yearly or single premium payments from current income, and receive a tax receipt for the donation;
- You can consult with your own legal advisor or professional planner, to plan an insurance gift suitable to your circumstances; and
- You can also use life insurance to replace wealth in your estate, when you make a sizable charitable donation in your will.

If Variety – The Children’s Charity of Ontario is given ownership of the policy, the premium payments form a part of your annual charitable gifts for income tax purposes, and you will receive an annual tax receipt for the full value of the premium. If the policy has ‘cash value’, you will also receive a tax receipt for the current cash value.

For charitable contributions over \$200, you receive a combined federal & provincial credit of approximately 45%, which is deducted from your income tax. So, for every

dollar that you give in premiums over \$200, you save 45 cents in tax. Up to 75% of your net income for the current tax year is eligible for a charitable tax credit. Donations over the 75% limit may be carried forward for five years.

**For more information in confidence, please contact Fionnuala Donaghy, Manager of Major Gifts at 416-698-4017 or by email at [fdonaghy@varietyontario.ca](mailto:fdonaghy@varietyontario.ca).**