

## A GIFT OF LIFE INSURANCE

A gift of life insurance is a cost-effective way to make a contribution to United Way Greater Toronto for a relatively small annual premium. You can choose the best option for your policy and whether you require tax relief during your lifetime or for your estate.

### Benefits

- Affordable annual premiums today can turn into a significant legacy gift to United Way Greater Toronto
- Depending on the policy, you will receive tax savings during your lifetime or for your estate
- Gifts of life insurance are not subject to probate fees or delays in settlement

### How

There are many easy ways to make a gift of life insurance:

#### Existing Life Insurance Policy

You can elect to have the **ownership and beneficiary** designation transferred to United Way of Greater Toronto. This designation cannot be changed.

A donation tax receipt will be issued for the value of the policy at the time of transfer. Any continued premium payments also qualify for a charitable tax receipt. United Way of Greater Toronto strongly recommends that you discuss this matter with your insurance advisor before any transfer takes place.

#### New Life Insurance Policy

You can purchase a new life insurance policy on which United Way of Greater Toronto is named as the owner and beneficiary. You continue to pay the premiums and receive a donation tax receipt for those payments. Again, this designation cannot be changed.

### Example – Existing Life Insurance Policy\*

Mrs. Cavanaugh has a \$100,000 life insurance policy for which she still pays premiums of \$2,000 per year. The policy also has \$5,000 built up cash value in the policy (Cash Surrender Value). She irrevocably transfers it to United Way of Greater Toronto.

#### Outcome

- Mrs. Cavanaugh creates a future gift to UWGT when she dies in the amount of \$100,000.
- She may receive an immediate donation tax receipt for the cash surrender value of \$5,000\*\*
- She receives a donation tax receipt each year for \$2,000, the value of the premium payments

*\*Numbers are for illustrative purposes only  
\*\*Mrs. Cavanaugh may also be able to obtain a donation tax receipt for the Fair Market Value of the policy. Please contact UWGT for details*

### Professional advice

United Way Greater Toronto encourages all our donors who are planning a legacy gift to seek independent legal and financial planning advice to ensure your financial goals are considered, your tax situation reviewed, and that your legacy gift is tailored to your circumstances.

#### For more information, please contact:

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