

# GIFTS USING LIFE INSURANCE

Life insurance can be used to make a large gift to the BC Cancer Foundation for a relatively small cost to you. At the same time, you can realize significant tax benefits. There are several ways to make a gift using life insurance. Deciding which method is best for you will depend on your circumstances and needs. The BC Cancer Foundation will work with your advisor to help you plan for the future and ensure your wishes are honoured.

## 1. Designating BC Cancer Foundation as the owner a beneficiary of your life insurance policy

If you transfer ownership of your life insurance policy to the BC Cancer Foundation then you will receive the tax benefits during your lifetime.

### Is the policy paid up?

Transferring ownership of a paid-up policy to the BC Cancer Foundation will result in an immediate tax receipt to you for the fair market value of the policy at the time it is transferred.

### Are premiums still payable?

Donating a new policy entitles you to a tax receipt for the amount of the insurance policy premiums as you pay them moving forward.

If you gift an existing policy, in addition to tax receipts for future premium payments, you will also receive an immediate tax receipt for the fair market value of the policy at the time of transfer.

## 2. Designating BC Cancer Foundation as a beneficiary of your life insurance policy

If you name the BC Cancer Foundation as a beneficiary (but not owner) of your life insurance policy then your estate will receive a tax receipt for the policy proceeds and benefit from potentially substantial tax savings. You also maintain control of the policy during your lifetime.

## Why choose a life insurance gift?

You may be interested in a life insurance gift if you want to leverage your capital to make a larger gift and maximize your tax savings at the same time.

You may also be interested in donating a life insurance policy if your reasons for purchasing the policy have changed. For example, the policy may have been taken out to provide financial protection when your family was young or to back a loan when your business was starting. Now, however, your circumstances have changed and the life insurance policy is an idle asset.

### What's in a Name?

When including a gift to the BC Cancer Foundation in your life insurance policy, it is extremely important that you use our correct legal name: **BC Cancer Foundation**. Many charities have similar names and over 300 in Canada include the word "cancer". Changing even one word in the name of a charity, such as using "society" instead of "foundation", can lead to confusion and even problems in the administration of your estate. To avoid this, please make sure you use our full legal name when making your gift

**Legal Name: BC Cancer Foundation**

**Registration Number: 11881 8434 RR0001**

## How to make a life insurance gift?

Naming the BC Cancer Foundation, as a beneficiary and/or owner of your life insurance policy is easy. Simply contact your broker or the insurer and ask for a beneficiary designation form and any necessary transfer paperwork. Staff at the BC Cancer Foundation will work with you and your advisor to help ensure that your wishes are carried out.

The above information is general in nature and is not intended as legal or tax advice. We can help you support cancer research and care in British Columbia by working with you and your financial and legal professional advisors.