



LIFE INSURANCE

We all know how important life insurance can be in providing security for a growing family or support in times of unforeseen need. Life insurance has another important use: it's an affordable way to make a larger impact at Trent University.

When you give a new or existing life insurance policy to Trent University, you're turning small monthly premiums into a significant future gift. Depending upon how your gift of life insurance is structured, you'll receive a charitable tax receipt that can be used in your lifetime or through your estate. And because a gift of life insurance is processed outside of your estate, it's not subject to probate fees.

Ways to Donate Life Insurance

There are a number of ways that you can gift life insurance to Trent University:

1. Change ownership and beneficiary of an existing policy:

If you no longer need a current life insurance policy (e.g., whole or universal life), you can change the ownership and beneficiary to Trent University and, in doing so, receive a tax receipt for the cash surrender value of the policy. The tax receipt can be used on your current year's income tax return and, if the donation amount exceeds 75% of your income for the year, it can be carried forward up to five years. (If the policy is not fully paid off, you will receive a tax receipt for the cash surrender value; if you continue to pay the premiums, you will also receive a tax receipt for those payments).

2. Change only the beneficiary of an existing policy:

Another option for an existing policy is to change only the beneficiary to Trent University. In this case, you retain ownership of the policy and can change the

beneficiary designation at any time. A tax receipt will be issued to your estate for the full amount of the life insurance death benefit proceeds. This will provide a tax credit to your final return. If the tax credit exceeds 100% of your income in that year, a portion of it can be carried back to the previous year.

3. Donating a new policy:

Donating a new policy is an easy form of life insurance gift. It's simple: contact your life insurance agent, establish a new policy in your name and make Trent University the beneficiary. The insurance agent will collect the first premium (the first premium is not eligible for a charitable tax receipt) and once the premium has been paid, your agent will transfer the ownership to Trent University. Once ownership is transferred you would then be eligible for charitable tax receipts for your premium payments.



Dr. Omole's gift of life insurance supports students who are preparing for careers as medical doctors.

Dr. Charles Omole '64

Member of Trent University's original class

Small-town Ontario surgeon

Nigerian

Father of three

For more information about gifting life insurance, contact:
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Benefits of Donating Life Insurance

Simple and Convenient: The transaction is simple. Your life insurance agent can advise you on the type of policy that best fits your needs or make the necessary changes to ownership or beneficiary to an existing policy.

Inexpensive: Life insurance is a way to make a larger gift than you may otherwise be capable of, without depleting your current assets now, or your estate later. Premiums paid are relatively small compared to the ultimate gift that is realized.

Tax Savings: Tax relief in the form of charitable tax receipts (now or in the future, based on the type of insurance policy that is being gifted).

Estate Preservation: Your estate to your family need not be diminished.

Peace of Mind: You can plan and arrange the gift yourself being assured that it will be realized just as you planned.

Control: Life insurance is not a matter of public record which allows you to remain anonymous if you wish. And, unlike a Will, the gift cannot be contested.



EXAMPLE:

Ms. Smith makes Trent University owner and beneficiary of a life insurance policy she has owned for 6 years that still has premiums owing. It has a face value of **\$100,000**, a cash surrender value of **\$5,400** with future annual premium payments of **\$1,300**.

Upon the transfer of ownership, Trent University will issue her a charitable donation receipt for **\$5,400** and additional receipts for **\$1,300** for each year that she makes a premium payment.

Wealth Replacement Life Insurance

Parents sometimes hesitate to make a major gift to Trent University today because they don't want to diminish the legacy for their children. One strategy is to donate an asset with preferred tax treatment and use the tax savings to purchase a single premium life insurance policy benefitting your heirs in the same amount as the charitable gift. The policy proceeds replace the asset that was removed from your estate through a donation.

Example: You may have marketable securities that you would like to donate to Trent University to benefit from the preferred capital gains tax treatment and to experience the joy of giving a larger charitable gift today. You can then use the tax savings to purchase a single premium life insurance policy benefitting your heirs in the same amount as your charitable gift. The proceeds of the policy will pass outside of your estate for probate tax purposes and will be paid tax free to your heirs as part of their inheritance. This option ensures that your estate is not diminished even though you are making a significant donation today.

Our Charitable Registration Number is 11926 8928 RR0001.

Tax incentives may differ outside the province of Ontario. Always obtain independent legal and financial advice when considering a legacy gift.

Your inquiry and any information exchanged will be held in strictest confidence. **Thank you.**