

# LIFE INSURANCE

Donating your life insurance policy is an inexpensive way to make a substantial contribution to the North Texas Community Foundation. Many people find in later years that they don't need all the insurance they anticipated, or they may choose to purchase a new policy to leverage their gift. Three common methods allow you to turn life insurance policies into a charitable gift:

- 1.** List the Community Foundation as the beneficiary when purchasing a new life insurance policy, or execute a change of beneficiary form on a current policy. Upon your passing, your estate receives a charitable deduction and the death benefit passes to the Community Foundation tax-free.
- 2.** Donate an existing, paid-up life insurance policy to the Community Foundation or purchase a new paid-up policy in the Community Foundation's name. You should receive a current income tax deduction equal to the lesser of your basis in the policy or the policy value.
- 3.** Transfer an existing insurance policy or purchase a new policy on your life and name the Community Foundation as the owner. Every year you donate sufficient funds to the Community Foundation to pay the annual premiums, these contributions are tax-deductible (subject to individual limitations).

## **Highlights:**

- *Simple and inexpensive way to create a significant future charitable legacy*
- *Charitable deduction at time of gift on the computed current value of your paid-up policy*
- *Create a charitable legacy today by telling us what you want your fund to support*
- *Receive an additional tax deduction for annual gifts to charity for annual premium payments*