

Making a Gift of Life Insurance



United Way
Winnipeg

Tomorrow Fund

United Way of Winnipeg's Endowment Fund

ENSURING BRIGHTER TOMORROWS

A gift of life insurance is an affordable way to make a generous gift to your favourite charity. A gift of life insurance to United Way of Winnipeg enables you to effect more positive change in your community than perhaps you ever thought possible.

Your gift of life insurance will be placed in the Tomorrow Fund, United Way's endowment fund. Here, it will generate a stable source of investment income to support our ongoing work in the community.



THE TOMORROW FUND

Gifts to the Tomorrow Fund are invested and a portion of the investment income is retained annually to ensure the real value of the capital is maintained. The balance of the investment income supports United Way's work by:

- Helping children and youth achieve their potential
- Promoting financial stability and independence
- Improving neighbourhood health and personal well-being

Launched in 1990, a gift to the Tomorrow Fund provides you with the opportunity:

- To invest in generations to come
- To continue your annual giving in perpetuity
- To provide a personal long-term legacy to the community
- To create a Named Fund with a one-time or accumulated gift of \$5000 or more

HOW TO GIVE A GIFT OF LIFE INSURANCE

You may retain ownership of your life insurance policy and designate United Way of Winnipeg to receive all or a portion of the proceeds at the time of death. Or, you may transfer ownership of your policy to United Way of Winnipeg, thereby relinquishing all your rights. The choice is yours.

OPTION 1

United Way as Benefactor

The simplest way to give a gift of life insurance is to name United Way of Winnipeg as the beneficiary of the policy. At the time of your death, United Way will receive the proceeds. Although this will not yield any tax credit during your lifetime, the amount of the death benefit paid by the policy to United Way of Winnipeg is now treated as if it was a bequest made in your will. The donation receipt can be claimed in your final tax return.

For example: Ms. Jones named United Way as beneficiary of her \$100 000 life insurance policy. Upon her passing, United Way receives the \$100 000 gift and her estate receives a \$100 000 donation receipt and a tax savings of \$45 000.

OPTION 2

Transferring Ownership to United Way

You can reduce your current income taxes if you give a gift of life insurance to United Way. Simply transfer ownership of the policy to United Way of Winnipeg and you will receive a donation receipt for any cash value of the policy, which is creditable on your current year's tax return.

If premiums are still due on your policy and you continue to pay them, you will also receive donation receipts for each additional premium paid.

For example: If Mr. Smith donates a paid-up life insurance policy with a face value of \$100 000 and a cash value of \$40 000, he will receive a \$40 000 donation receipt and an \$18 000 tax credit (assuming a provincial/federal tax rate of 45 per cent).



A GIFT TO UNITED WAY OF WINNIPEG

By harnessing the power of time, you can make small, regular payments on a life insurance policy that will grow over the years to produce a truly major gift to United Way of Winnipeg.

Charitable giving and life insurance make a good match. They involve similar considerations: your immediate financial requirements, your future financial needs, and the emotional satisfaction of being able to help those you care about most—even after you are gone.

Remember: a gift of life insurance, with United Way of Winnipeg as owner or beneficiary, is made outside your estate. It will not diminish the legacy to your family and friends. You can show generosity without compromising your family's financial security.

**Creating
Opportunities for
A Better Life
for Everyone**

BROCHURES IN THIS SERIES:

- Preparing a Will
- Making a Bequest
- Making a Gift of Life Insurance
- Creating a Charitable Remainder Trust
- Making a Gift of Appreciated Securities

For more information about the Tomorrow Fund or gifts of life insurance, contact United Way of Winnipeg at:

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NOTE:

The purpose of this publication is to provide general information, not to render legal advice. Any changes in the tax legislation may affect the examples listed in this information. You should consult your own lawyer or other professional advisor as to how this may apply to your situation.

