

Life Insurance

Life insurance can be an excellent giving tool for a donor who wishes to make a substantial gift to The Saugeen Memorial Hospital Foundation. Moderate, tax deductible deposits are leveraged over time for a large gift at the time of death. New or existing life insurance policies may be donated. Usually, some variety of permanent life insurance is used to fund gifts of this type.

Features of Charitable Life Insurance:

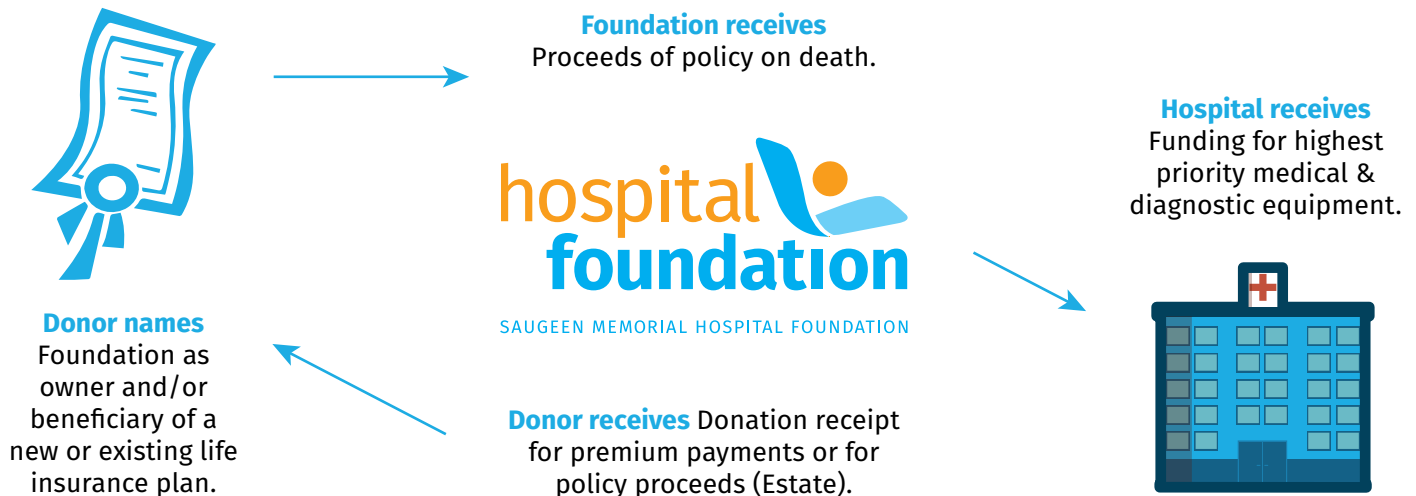
- Simple to set up and manage.
- Irrevocable gift if the Foundation is owner and beneficiary.
- Tax credits for future premiums paid and Fair Market Value - OR - for donor's estate.
- Gift not subject to probate fees.

1. Receive an Immediate/Regular Receipt:

When the Foundation is named as both the owner and beneficiary of a new or existing life insurance policy, an irrevocable gift is made – resulting in charitable tax receipts for any future premiums paid and/or for the fair market value of an existing policy for the donor. The Foundation receives the policy proceeds upon the death of the donor. This strategy might be used if the donor can benefit from annual charitable receipts.

Example 1:

Mr. Blake wishes to leave all his assets to his children but still wants his support of the Foundation to continue after his death. He purchases a new \$100,000 life insurance policy and names the Foundation as both the owner and beneficiary. He receives charitable receipts for all the premiums he will pay. Upon Mr. Blake's death, the Foundation receives the \$100,000.



2. Benefit Your Estate

When a donor names the Foundation as beneficiary of a new or existing policy but retains ownership of it, the gift is revocable – so no immediate tax receipts are issued. Instead, on the death of the donor, the Foundation receives the proceeds from the policy and issues a receipt to the donor's estate. The resulting tax credits offset taxable income in the year of death. Because the gift passes outside of the estate, additional savings in probate fees are enjoyed as well. A life insurance gift might be structured in this manner if the donor faces high tax liability in their estate, due to RRSP/RRIF assets or capital gains income.

Example 2:

Mrs. Clark purchases a new \$100,000 life insurance policy and names the Foundation as the beneficiary of the policy, but retains ownership of it. Mrs. Clark has modest annual income but will incur a large amount of capital gains income from several investments when she dies. Upon Mrs. Clark's death, the Foundation receives the \$100,000 to purchase high priority medical equipment and issues a tax receipt to be used by the estate to offset income in the year of death.

About the Foundation:

Our mission is to raise and manage funds for equipment, facilities and staff development to ensure our community and visitors have access to the best possible hospital care.

The Saugeen Memorial Hospital Foundation is 1 of 5 foundations supporting Grey Bruce Health Services hospitals in Lion's Head, Markdale, Meaford, Owen Sound, Wiarton and Southampton. Our fundraised dollars are used to purchase equipment for Southampton Hospital, plus a share - based on patient usage, for our regional hospital in Owen Sound.

Each year we raise approximately \$500,000 to help purchase high priority medical equipment. The Provincial Ministry of Health provides very little funding to hospitals for up-to-date technology and facilities. Therefore, funds must be raised with help from the community.

Should you choose to arrange a gift with the Foundation, you would be helping to ensure a higher standard of hospital care for everyone in Saugeen Shores.

This makes your support critical.

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Visit smhfoundation.ca for further information about the Foundation.

This information provides a brief overview on planning a gift to Saugeen Memorial Hospital Foundation. The information is general in nature and is subject to change according to individual circumstances. You should always consult your own professional advisors for detailed information tailored to your own circumstances and to confirm applicable tax benefits.