



TAX, RETIREMENT
 & ESTATE PLANNING
 SERVICES

CONCEPTUALLY SPEAKING

Charitable Giving with Life Insurance

Your client wants to leave a gift to their favorite charity when they die. You want to show your client how a life insurance policy can be used to facilitate the gift and the potential tax benefits associated with the gift. Where do you go from here?

Charitable Giving with Life insurance is a custom concept illustration that shows your client two different ways to structure a gift of a life insurance policy:

- 1) the charity owns the policy and your client makes the premium payments to keep the policy in force;
or
- 2) your client owns the policy and the charity is named as beneficiary of the policy.

Regardless of how the charitable gift is structured, the charity will receive the life insurance proceeds when your client dies. However, the tax consequences will differ depending on the structure that is used. The following chart outlines the tax consequences of each:

Owner	Beneficiary	Tax benefit during life	Tax benefit at death
Charity	Charity	Charitable donation tax credit for premiums paid	None
Taxpayer	Charity	None	Charitable donation tax credit for proceeds paid at death

Numerical analysis

The Charitable giving illustration shows the tax benefits under each scenario by multiplying the amount of the gift by the personal tax rate assumption used. The illustration also includes present value analysis to help your client better understand the value of the gift over a period of time.

Requesting a charitable giving illustration

At this time, the Charitable giving concept illustration is not available on Diamond View. To request an illustration, contact your local Manulife Representative or send an email to conceptquote@manulife.com.

Please include the following information when requesting an illustration:

- 1) A PDF of the Manulife product illustration
- 2) The discount rate you wish to use
- 3) The personal tax rate assumption you wish to use.

If you would like more information on Charitable Giving, including a sample illustration, contact your local Manulife Representative.

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The Tax, Retirement & Estate Planning Services at Manulife Financial writes various publications on an ongoing basis. This team of accountants, lawyers and insurance professionals provides specialized information about legal issues, accounting and life insurance and their link to complex tax and estate planning solutions.

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