



Life Insurance Policy Gifts: An Overview

A gift of a life insurance policy. Circumstances may indicate that the initial purposes for establishing a life insurance policy may have changed over the years. For example, it may be that there is no longer a necessity for retaining a \$50,000 policy purchased many years ago. Let's assume further that the cash surrender value of your policy is \$20,000. A gift planning opportunity might include a transfer of the policy to the Church, but you would continue to cover the amount of the premiums due in a way that might also enable you to continue to receive a charitable deduction for the amount of the continuing premium payments. In addition, you may also be entitled to an income tax charitable deduction, and – if for example you are in a 28% tax bracket – a possible reduction in taxes of \$5,600.00. Upon your passing, the full \$50,000 in proceeds will come to the Church.

Revocable beneficiary designations. Sometimes individuals who have already made their wills decide that they now wish to include the Church in their estate plans, but may prefer not to revise their estate planning documents. A life insurance policy can provide a simple, effective opportunity. An individual can name the Church as the beneficiary of part or all of a life insurance policy, or as the contingent beneficiary of a life insurance policy. This is accomplished through contacting your insurance provider and requesting the forms required to make beneficiary designations.

Gifts of a new policy. Some situations have arisen where, as part of an individual's financial and estate planning, the individual purchases a new policy, naming the Church as the owner and beneficiary of the policy. Life insurance allows you to make a substantial gift at a very affordable cost, because annual premium payment amounts may be deductible as additional charitable gifts.

Wealth replacement. Life insurance, possibly purchased through an irrevocable life insurance trust, can replace in your estate, stocks, bonds, real estate or other assets you contribute to a lifetime charitable remainder trust or charitable gift annuity to benefit the Church, providing gifts both to family or other organizations, and the Church. The cost of premiums may be reduced with tax savings and increased income derived from these gift arrangements.

How to Proceed

Making The First Church of Christ, Scientist the beneficiary of a life insurance policy is as simple as calling the company or your agent and asking for a change of beneficiary form. For more complex options, we would be pleased to have discussions with you at any time.



We are pleased to advise you:

1. Our correct legal name and address, or other information that may be required, for the purpose of the new beneficiary designation and/or change of ownership on the records of the life insurance company
2. The details of the transfer process, if you are giving a new or existing policy
3. Your approximate tax deduction, if you will be transferring full ownership in the policy
4. How additional premium payments and future deductible contributions are satisfied

You will need to share with us:

1. The type and face value of the life insurance policy you plan to contribute
2. Whether the policy is paid up or whether premiums remain to be paid
3. Whether the Church will be simply a beneficiary or the owner of the policy

You can contact our office at philanthropy@csps.com, by phone at 1-800-288-7155, extension 3288, or write to us at the address below. We look forward to hearing from you.

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