



Fondation
BMP
Foundation

**GIVING
DIFFERENTLY**



DONATION OF LIFE INSURANCE

A MAJOR ECONOMIC GIFT

A gift of life insurance is a simple and flexible way to make a major donation to the Brome-Missisquoi-Perkins Hospital Foundation. You'll be securing the future of healthcare for your loved ones and your community, for a small portion of the cost.



In examining my estate, I came to the conclusion that my life insurance policy no longer corresponded to my current needs. My financial adviser informed me of an option I was unaware existed; the option to donate my life insurance policy! This inspired me to make a significant gesture to improve local healthcare at the BMP Hospital. I was born there, as well as one of my children, and I've had many friends and neighbours who have worked there over the years. This simple and

inexpensive method enabled me to make a significant donation to the healthcare of those around me, and in my own community. I was able to fulfill my wish without changing my current financial situation. It is my hope that others will consider this option, and contribute to the welfare of our community as a whole. *Jennifer Singfield*



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A donation of life insurance can turn a minimal contribution into a major gift. There are several simple and effective options available to you. Each has its own advantages: discover the one that best serves your personal and financial situation!

Donation of a new policy

You can assign ownership of a new life insurance policy to the BMP Foundation, with the Foundation as beneficiary. It's a simple and efficient way for you to make a significant donation, in an amount that fits your budget and over a set period of time.

Donating an existing policy

Did you take out a life insurance policy a number of years ago and no longer need the protection it provides? You can donate it to the BMP Foundation instead of cancelling it. This simple option can be financially advantageous and requires little or no additional outlay.

Designate the BMP Foundation as beneficiary

This option allows you to retain control of your life insurance policy. You retain ownership, but you designate the BMP Foundation as beneficiary, in whole or in part, either directly in your policy or through a testamentary disposition.



TAX BENEFITS

Tax benefits vary depending on the type of donation chosen.

When you purchase a new life **insurance policy**, you receive a donation receipt for the annual payment made, which reduces the cost of your gift.

By assigning ownership of **an existing policy** to the BMP Foundation and naming it as beneficiary, you receive a tax receipt for the fair market value of the policy. This value is determined by an independent actuary based on a number of factors. If the policy is not fully paid up and you continue to make premium payments, you will also receive an annual donation tax receipt for the payments made. However, it is important to verify whether there is an excess of the cash surrender value over the adjusted cost basis of the policy, since this amount must, if applicable, be added to your taxable income.

By designating the **BMP Foundation as the beneficiary of your life insurance policy**, you reduce the tax burden on your estate. The BMP Foundation will receive the proceeds of the life insurance policy, and a tax receipt for the proceeds will be issued to your estate.

Thanks to the **Orchard Circle**, you can be sure of receiving recognition during your lifetime, even if the donation is received in the future.

Here's an example of the difference between donating new life insurance naming the Foundation as beneficiary:

Donor 1 purchased a \$100,000 life insurance policy naming the Foundation as owner and irrevocable beneficiary. The donor pays the annual premium of \$2,000 directly to the BMP Foundation for 10 years. The donor receives an annual tax receipt for \$2,000, which reduces the net cost of his premium to \$1,000 per year.

Donor 2 has already taken out a \$100,000 life insurance policy naming the BMP Foundation as beneficiary upon his death. He retains ownership of his life insurance and can change his beneficiary at any time. He receives no tax benefits during his lifetime, but upon his death, his estate receives a \$100,000 donation tax receipt.

All examples have been simplified for demonstration purposes. Tax credits and taxes payable have been rounded to 50%. Please consult your professional for advice based on your specific situation.





Have you already planned a life insurance donation to the BMP Foundation?

Let us know your intentions by contacting Francis Laramée, Executive Director of the BMP Foundation. We would like to recognize your generous gesture today. This will allow us to thank you and show our appreciation through the **Orchard Circle**, which recognizes the contribution of individuals through wills and life insurance. Please note that we respect the anonymity of donors who request it.

You can also be assured that we fully understand your intentions, and that we can follow them up in the most efficient way possible.



This document contains general information that in no way replaces professional advice. The examples presented in this document are for illustrative purposes only. We therefore invite you to consult financial advisor, accountant or notary to ensure that your donation takes into account your particular situation.

Brome-Missisquoi-Perkins Hospital Foundation

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