

# Life Insurance



## Description

Life Insurance allows you to make a generous gift to Camp Fire First Texas with a relatively low financial commitment. By naming Camp Fire as the beneficiary of your policy, you will have the opportunity to make a larger gift to Camp Fire than you might otherwise afford while taking advantage of tax benefits.

## Key characteristics

- Make a substantial gift at a relatively low cost
- Current income tax deduction for paid-up policy
- Immediate tax deduction from estate tax on paid-up policy
- Future deductions for premium payments on new policy or policy on which you still pay the premium

## Details

Through a gift of a Life Insurance Policy, you will have the chance to provide a larger gift to Camp Fire than might have been possible otherwise. This gift can be made without reducing the control of a business or other investments. Any amount specified for family members will also be kept in tact. For a donor committed to making annual gifts, a portion of the annual gift can be directed to an insurance policy guaranteeing the continuation of that gift.

Camp Fire can be named as the sole beneficiary, a beneficiary of a percentage of the life insurance policy, or a contingent beneficiary. You may also designate Camp Fire as a beneficiary on the creation of a new policy. If there is an existing policy you no longer need, you may also designate Camp Fire as the beneficiary of the policy.

To name Camp Fire First Texas as a beneficiary, please obtain a “Designation of Beneficiary” form from your insurance company (for a new policy) or a “Change of Beneficiary” form from your employer’s human resource department (for an existing policy).\*

## Example

- A 50-year old committed to giving \$5,000 annually for 10 years could leverage the \$50,000 gift into a \$360,000 gift.
- A 50-year old couple could make a gift of \$800,000 with the same \$5,000 annual commitment. (Keep in mind that using a traditional permanent policy will generally yield a 6% to 7% internal rate of return to life expectancy on premiums paid. Assumes 50-year old(s), preferred non-smoker(s) using variable life policy earning 10% gross return.)

*\* The Council reserves the right to refuse any proposed gift. Unless otherwise approved by Camp Fire First Texas, gifts may not be directly or indirectly subjected by a donor to any material restriction or condition that would prevent the Council from freely and effectively employing the transferred asset, or the income derived therefrom, in furtherance of its exempt purposes.*

Planned Giving Design Center. Charitable Gifts of Life Insurance . Web. 16 June 2015. <<http://www.pgdc.com/pgdc/charitable-gifts-life-insurance>>

Dominick Feld Hyde, P.C. Turbocharge Your Charitable Gifts by Donating Your Life Insurance Policy. Web. 16 June 2015. <<http://www.dfhlaw.com/turbocharge-your-charitable-gifts.php>>

Yogananda SRF. Gifts of Life Insurance . Web. 16 June 2015. <[http://www.yogananda-srf.org/uploadedFiles/aboutsrf/supportsrf/Planned\\_Giving/GiftsofLifeInsuranceCombo.pdf](http://www.yogananda-srf.org/uploadedFiles/aboutsrf/supportsrf/Planned_Giving/GiftsofLifeInsuranceCombo.pdf)>

