

Life insurance can be an excellent legacy giving tool for a donor who wishes to make a substantial gift to Bruce Peninsula Hospitals Foundation—and they are simple to set up and manage. 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 insurance is used to fund gifts of this type.

Under the year 2000 Federal Budget, there were enhancements to the tax treatment of gifts made using life insurance, making it a more effective gifting tool for donors.

1. RECEIVE AN IMMEDIATE/REGULAR RECEIPT

When a donor names BPH Foundation as owner of a new or existing policy, the gift is irrevocable – so annual tax receipts are issued in the amount of the premiums paid throughout the year. Upon the death of the donor, the Foundation receives the proceeds from the policy. Because the gift passes to BPH Foundation outside of the Estate, additional savings in probate fees are realized. A life insurance gift might be structured in this manner if the donor has annual income tax liability, but anticipates modest taxation for their Estate in the year of death.

FOR EXAMPLE:

A donor names BPH Foundation the owner of a new or existing life insurance policy;
BPH Foundation receives notice from the insurance company to issue tax receipts for annual premiums;
Upon the death of the donor, proceeds of the policy are paid to BPHS Foundation and GBHS receives funding for high priority hospital equipment needs.



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, upon the death of the donor, BPHS Foundation receives the proceeds from the policy and issues a receipt to the Estate. The resulting tax credits offset taxable income in the year of death. A life insurance gift might be structured in this manner if the donor has modest annual income tax liability, but anticipates high taxation in their Estate due to capital gains, registered assets, etc.

FOR EXAMPLE:

A donor names BPH Foundation the beneficiary of a new or existing life insurance policy; BPH Foundation receives the proceeds of the policy upon death of the donor; Estate receives donation receipt for the proceeds from the policy and GBHS receives funding for high priority hospital equipment needs.

ABOUT US

Bruce Peninsula Hospitals Foundation was incorporated in 1997. We strive to provide our physicians, nurses and technologists with up-to-date diagnostic and medical equipment to care for patients. With this ongoing challenge, our mission is to assist in meeting the health care needs of residents and visitors to the Bruce Peninsula by raising funds for priority hospital projects.

Our fundraising efforts support Grey Bruce Health Services' Lion's Head Hospital, Wiarton Hospital and our regional hospital in Owen Sound. With your generosity we can keep great health care close to home!



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This information provides a brief overview on planning a gift to Bruce Peninsula Hospitals 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 situation and to confirm applicable tax benefits.