Giving back

Charitable giving through life insurance

Are you making regular donations to a favourite charity or organization? Do you wish you could give more? Would you like your donation to reduce your income tax now or in the future?

Life insurance can make it happen

Life insurance is an easy and affordable way to create a significant charitable gift without impacting your family's inheritance.

Helping you give more

Life insurance can turn a small payment today into a future donation larger than you might otherwise be able to give.

For example:

- A monthly donation of $50 will amount to $12,000 in total donations over a period of 20 years.
- That same $50, when used to pay the premium on a life insurance policy from which the charity will receive the proceeds, could provide a future donation of $108,149[1,2] at no additional cost to you.

Why it makes sense

- **You or your estate** benefit from income tax relief now or in the future.
- **Life insurance amplifies** the amount of your charitable gift.
- **Your charitable gift** does not impact the bequests to your family. With no need to earmark a portion of your estate for charity, it remains intact for your family.
- **You have the satisfaction** of knowing you are giving something back to an alma mater, local hospital or favourite charity.
- **You can create a lasting memorial** to your life or the life of a loved one.

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How it works

Charitable giving through life insurance can be done in two ways:

1 You own the insurance policy

You pay the premiums and name the charity as the beneficiary. By retaining ownership of the policy, you can change the beneficiary in the future if you wish. While you do not receive an immediate income tax deduction, your estate will receive a tax receipt when the insurance death benefit is paid. This canhelp offset your final income taxes so more of your estate passes to your beneficiaries.

2 The charity owns the insurance policy

You pay the premiums and name the charity owner. The charity has access to the cash value in the policy[3], as well as the promise of a large future donation when the insurance death benefit is paid. You receive an annual tax receipt for the premiums paid when the charity owns the policy.

Finding the right solution for you

If leaving a legacy is important to you, Equitable® offers a choice of life insurance solutions that can be used to provide a charitable gift.

Equimax® participating[2] whole life insurance

Provides a guaranteed death benefit[4], premiums and cash values. Shorter premium payment options of 10 or 20 years are available.[5] It is an easy, hands-off approach to creating a legacy.

Equitable Generations™ universal life insurance

Provides life insurance protection and more hands-on involvement to maximize tax-advantaged investment growth within the plan.[6] You select from a range of investment options based on your risk tolerance and have the option to fund the plan with a single lump sum payment.[7]

Talk to your advisor today about creative ways to make your charitable gift a reality.

The information in this brochure is not a substitute for tax or legal advice. Please consult your tax or legal professional for independent advice with respect to your personal circumstances.

[1] Equimax Estate Builder 20 pay, paid-up additions dividend option. Assumes female, non-smoker, age 35. Example of the death benefit amount that would be payable at age 85. Total death benefit values are for illustration purposes only. Illustrated values are based on rates in effect as of October 5, 2024 and the dividend scale as of the rates effective date remaining unchanged for the life of the policy.

[2] Equimax policyholders are eligible to participate in the earnings of the participating account through dividend payments. Dividends are not guaranteed and are paid at the sole discretion of the Board of Directors. Dividends may be subject to taxation. Dividends will vary based on the actual investment returns in the participating account as well as mortality, expenses, lapse, claims experience, taxes, and other experience of the participating block of policies. They have the potential to increase the value of your policy above the guaranteed amount, depending on the dividend option selected.

[3] Some limitations may apply. Refer to the policy contract.

[4] Your death benefit amount is guaranteed provided you pay the premiums outlined in your contract. The death benefit amount and cash values will be reduced by any outstanding policy loans, including interest, and cash withdrawals made from the policy.

[5] When a 10 pay coverage option or a 20 pay coverage option is selected, the base coverage is paid up in 10 or 20 years. Premiums for optional riders and benefits may extend beyond 10 or 20 years.

[6] Withdrawals, loans, surrenders, etc. from the plan are subject to taxation rules.

[7] The lump sum cannot exceed the maximum exempt premium (MEP) allowed by Government guidelines to maintain the tax-exempt status of the policy. The portion that exceeds the MEP will be moved into the shuttle account and will be subject to annual taxation. Amounts in the shuttle account will be transferred back to the policy as a premium payment while maintaining the tax-exempt status of the policy.

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