

# Life Insurance

Let's discuss two ways to use life insurance as a charitable gift. During our lifetime, life insurance is a means to protect our loved ones if something were to happen to us. However, once you have outgrown the "need" for life insurance, as your debts have decreased and your kids have grown up and moved out, you may want to consider another alternative to cashing the policy in, or letting it lapse.

## Name Gleanings for the Hungry as the beneficiary of your policy:

This is the simplest way to provide a charitable gift with the death benefit proceeds from a policy and can be done with a simple Beneficiary Change form. Doing this does not offer the income tax advantages that come with gifting a policy, but it still reduces your estate by the amount of the death benefit. Another benefit is the death benefit proceeds from an insurance contract are completely incontestable.

## Donate your existing life insurance policy to Gleanings for the Hungry:

To do this, you must assign all rights in the policy to Gleanings by doing a Collateral Assignment/Ownership change form. You must also deliver the actual policy itself to Gleanings. By doing this, you give up all control of the life insurance policy forever. This strategy provides the full tax advantages of charitable giving because the transfer of ownership is irrevocable. You may be able to take an income tax deduction equal to the lesser of your adjusted cost basis or fair market value. If the charity is the owner and beneficiary, any premiums that you pay on the policy will be tax deductible as a charitable donation.

After reading this, you may simply want to use this as a "reminder" to check into your life insurance policies and make sure all of your information is up to date and your beneficiaries are in order. If you would like additional information on how you may include Gleanings in your life insurance policy, please contact us.

***Gleanings for the Hungry***

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*This information is provided for educational purposes only. For legal advice, contact an attorney.*