



Life Insurance

Existing Life Insurance Policy

Many people own life insurance policies that were purchased years ago to protect family members in the event of their death. Today their circumstances have changed. Perhaps the beneficiary of the policy has died, or children are now financially independent adults. Although the policy is still valid it is no longer required for the original reason.

The cash surrender value of the policy can be used to make a gift by transferring ownership of the policy to FEED NOVA SCOTIA. A tax receipt is issued for this value. With some policies there may be a taxable gain. However, the tax credit should at least offset any tax owing.

In certain circumstances it may be possible to receive a tax receipt for the actual value of the policy as determined by an actuary, instead of the cash surrender value. Close consultation with your insurance advisor will be necessary in this case.

New Life Insurance Policy

Life insurance policies offers flexible and creative ways to support those experiencing food insecurity in our communities and meet your planning needs. As there are many types of insurance products available, consultation with your insurance advisor is highly recommended.

Policy Ownership Transferred

When you transfer ownership of a policy to FEED NOVA SCOTIA, any premiums paid are considered to be a charitable donation for which you receive a tax receipt. The resulting tax credit greatly reduces the cost of the eventual gift of the death benefit that can be many times the actual premium cost.

Policy Ownership Retained

Alternately, you may name FEED NOVA SCOTIA as policy beneficiary only. In this case you retain ownership of the policy so a tax receipt is not issued for the annual premiums. However, a tax receipt will be issued for the death benefit resulting in a tax credit that your executor may use on your final return to offset other income tax.

Wealth Replacement

You may wish to make a major outright gift today but you may be reluctant as you do not want to diminish your children's future legacy. One strategy is to purchase a life insurance policy with a face amount equal to the amount contributed to FEED NOVA SCOTIA, with your children named as beneficiary. The policy proceeds, payable at your death will replace the cash asset that is removed from your estate through the donation. In some cases the cost of the policy could be entirely offset by the tax credit from the original donation.