



# CHARITABLE LIFE INSURANCE

Many of us would like to make a more significant gift than our current assets allow. We wish there were a way to support causes closest to our hearts in an extraordinary way.

**A gift of life insurance allows many donors to make a larger charitable gift than they ever thought possible.**

At the Saint Paul & Minnesota Foundation, we understand the desire to give in extraordinary ways. That's why we make it easy to use life insurance to support your favorite causes.

Donating a life insurance policy to a donor advised fund (DAF) at the Saint Paul & Minnesota Foundation allows the death benefit from one policy to be distributed to multiple nonprofits.

Donors make premium payments that are affordable to them during their lives. The ultimate death benefit is often much larger than the total premiums paid over time and premiums are often tax-deductible.

## HOW A DONOR ADVISED FUND WORKS



## HOW WE WORK TOGETHER

- 1 Talk with a Foundation Gift Planner about your charitable goals.
- 2 Our experienced staff will work with you and your advisors to determine if a gift of life insurance is right for you.
- 3 Establish your own donor advised fund (DAF), that can easily accept gifts of new or existing life insurance policies. You continue to pay any ongoing insurance premiums.
- 4 The death benefit is used by your DAF to support your favorite causes.



## OUR PROMISE TO YOU

- + You will be guided each step of the way.
- + You will work with a local partner who will act in your best interest at all times.
- + Your goals are our goals.
- + You will get more than a transaction. You will get a trusted partner in giving.
- + You will work with a local team who knows the community.

## FINANCIAL BENEFITS

- New or existing policies can be donated.
- Make affordable gifts over time in the form of premium payments.
- The ultimate death benefit is often much larger than the total premiums paid.
- Ongoing premium payments often result in charitable income tax deductions.
- By using a DAF, one life insurance contract can benefit multiple nonprofit organizations.
- Donors can also name their DAF as the beneficiary of the contract and retain ownership during their lifetime.



## How Lily and Frank Used Life Insurance to Establish Their Donor Advised Fund

Lily and Frank have been married for more than 35 years. They raised two children who are now grown with their own families and careers. Lily and Frank are preparing to retire and realize they have more assets than they need to live a comfortable retired life.

One of their assets is a life insurance policy purchased many years ago to provide for their children if either of them died prematurely. They now wonder what to do with it. It has a significant cash value, which they could withdraw, but they don't know what they would spend it on.

Recently, they were speaking to a friend who told them about a donor advised fund they established with the Saint Paul & Minnesota Foundation. The friend donated a few different assets, including an old life insurance policy she no longer needed. Lily and Frank were intrigued, so they contacted the Foundation to learn more.

After speaking with a Gift Planner, they established a donor advised fund with the Foundation and donated the life insurance contract. They received a charitable income tax deduction for a portion of the cash value of the policy. The policy still requires ongoing premium payments. Every year when the premium is due, they transfer a tax-deductible gift of stock to the Foundation to pay the premium.

When Lily and Frank pass away, the death benefit from the life insurance contract will pass to their donor advised fund. Their two children will act as advisors to the fund and recommend grants to their favorite charities for many years to come.

Start a conversation with a Gift Planner today.  
Call 651.224.5463 or email the team at [philanthropy@spmcf.org](mailto:philanthropy@spmcf.org).