

## OUR CHURCH ENDOWMENT FUNDS - - - WAYS TO GIVE

*(This is the third in a series of articles from the Endowment Committee offering suggestions about how you can donate to the Church and the potential financial benefits to you of each type of donation.)*

One way in which you can contribute to the Church Endowment is by:

### **A gift of Life Insurance to First Congregational Church**

By designating the church as a beneficiary, your legacy gift will continue your support of the church after your death.

Life insurance allows you to make a large gift with little cost to yourself by giving an old or new life insurance policy with the church named as beneficiary. Your benefits are a current income tax deduction and possible future deductions.

Here are some ways you can gift your life insurance to your church:

- Gifts of an existing life insurance policy that is no longer needed. If the policy has outgrown its primary purpose (usually to provide for a growing family), you may find such a policy is an excellent way to satisfy your charitable giving desires. The donor is entitled to a tax deduction for the replacement cost of the policy or the amount of the premiums if due.
- If the needs of other beneficiaries will be met in other ways, make your church the owner and beneficiary. If you do this, you may receive a significant income tax deduction and future premiums you pay may also qualify for an income tax deduction.
- Name the church as a secondary or back-up beneficiary of a life insurance policy or even your retirement plans in case other beneficiaries named are deceased at the time of your death.
- Consider taking out a new life insurance policy to benefit your church. When you name your church as owner and beneficiary, all premiums you pay will be considered tax deductible contributions. The death benefit will be to your church and could create a significant endowment for a cause of your church you have selected.
- Assign the dividends of the policy to the church. You can instruct the insurance company to pay the dividends directly to the church. The dividends become tax deductible contributions to the church.
- Use a life insurance policy to guarantee a charitable pledge.
- Life insurance can be used to fund a future charitable arrangement. Life insurance proceeds can fund a trust which will in turn provide future income for a family member

with the trust remainder going to the church after a specified number of years or at the death of the trust's income beneficiary.

PLEASE NOTE: Tax laws are complex, depend on specific facts and circumstances and frequently change. The above is not intended as tax advice and you should consult with your own financial/tax adviser/insurance agent to determine if a charitable contribution, from your Life Insurance Policy, would be a good strategy for your charitable giving.

If you're considering making a contribution such as described above (or any other type of contribution), please don't hesitate to contact any of the following

**Endowment Committee members:** Fran Chickering, Ed Eisele, Bill Marohn, Steve Reed, Dan Hopp, Gordon Schreiber and JoAnn Sprayberry (Trustee Rep.)