

# *A Guide to Creating Your Legacy at the University of Waterloo*

Planned giving can allow people who have limited financial resources in their lifetime to achieve larger gifts than they thought possible, to make a positive difference at the University of Waterloo and in the world. It's an opportunity for you to create a meaningful, enduring legacy.



## **A gift of life insurance**

A gift of life insurance to the University of Waterloo can make a substantial future impact for a smaller current amount, with significant tax benefits. You can either purchase a new policy for this purpose or donate an existing one that's no longer needed for its original purpose.

### *What are the advantages of this type of gift?*

- › Affordable annual premiums paid during your lifetime can convert to a significant gift upon your death.
- › Gifts of life insurance are not subject to probate or legal challenges to the will.
- › Tax implications can vary according to the structure of the gift – they can be realized during your lifetime or after your death to reduce estate taxes.





## *How does this type of gift work?*

There are three ways to make a gift of life insurance.

**1. Name the University of Waterloo as a beneficiary of your life insurance policy:**

You retain ownership of the policy. You will not receive tax benefits during your lifetime; however, a tax receipt will be issued to your estate for the full death benefit, creating a substantial tax advantage for your estate.

**2. Gift your life insurance policy to the University of Waterloo:** If you have an existing policy, you can make an absolute assignment of ownership of the policy to the University of Waterloo, designating the University as the beneficiary. A tax receipt for the fair market value of the policy will be issued to you at the time of transfer, and for each subsequent premium you pay to maintain the policy. Annual tax credits can reduce federal and provincial tax payable, and neither taxes nor probate will reduce the size of the gift.

**3. Donate the proceeds of your life insurance policy to the University of Waterloo through your will:** You retain ownership of the policy and designate your estate as the beneficiary of death proceeds, then, through a gift in your will, you donate the amount of the death proceeds to the University.\*

\*This is beneficial from a tax-planning standpoint since your estate will receive a receipt for the full amount of the bequest; however, it does subject the proceeds to the expense and delay of probate and exposes the proceeds to creditors' claims and a possible will challenge.

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The information within these pages does not constitute legal or financial advice. We strongly encourage you to seek professional legal and/or financial advice for your particular situation.

For more information on how you can establish your legacy gift to support Waterloo's future, contact our Planned Giving team at **519-888-4567 ext. 41879** or **[plannedgiving@uwaterloo.ca](mailto:plannedgiving@uwaterloo.ca)**

