



## ***GIFTS OF LIFE INSURANCE TO THE BOYS & GIRLS CLUBS ENDOWMENT FOUNDATION***

**Gift of *Paid-Up* Life Insurance:** Gifting a *paid-up* life insurance policy is a simple way to make a meaningful gift to the Boys & Girls Clubs Endowment Foundation, help provide *The Positive Place for Kids*, and receive substantial federal and state tax advantages. Here's how:

- ? Transfer the policy to Boys & Girls Club Endowment Foundation, naming the Foundation as owner and beneficiary.
- ? Restrict the use of funds for the Permanent Endowment.
- ? Receive a federal tax deduction (limited to 50% of the donor's adjusted gross income).
- ? Receive an immediate Montana tax credit. With a gift of life insurance you are eligible for a Montana tax credit of 40% of the insurance policy's replacement value up to a maximum \$10,000 credit, per year, per individual.

### How a Gift of *Paid-up* Life Insurance Could Benefit You

Bill and Alice are retired with two grown children who will be the major heirs of their estates. Bill and Alice are grateful that the Club was available to their children when they were young and now want to make a generous gift to the Boys & Girls Club Endowment Foundation. They have a *paid-up* life insurance policy on Bill's life with a cash value of \$10,000 and a death benefit of \$14,000.

Bill and Alice transfer the policy to the Boys & Girls Club Endowment Foundation, restricting the use of funds for the permanent endowment. They receive \$4,000 credit on their Montana income tax liability for the year in which the gift was made. In addition, they will have at least a \$10,000 deduction on their federal income taxes, which, at a 30% rate, will cut their payment to the IRS by \$3,000. This gift of \$10,000 will actually only cost \$3,000! At Bill's death, our Foundation will receive \$14,000!

Please see other side for information on providing a *Leveraged* Gift through Life Insurance.

**Boys & Girls Club Endowment Foundation**  
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**Providing a *Leveraged Gift* through Life Insurance:** Life insurance is a *leveraged* gift, meaning that for a relatively small sum of money (the premium) you can produce a large death benefit for the Boys & Girls Club Endowment Foundation. With a *leveraged* life insurance policy, the donor chooses to pay a premium for years (or perhaps decades) allowing for a more significant gift than could otherwise be made.

If you're interested in providing a leveraged gift to the Boys & Girls Club Endowment Foundation through life insurance, simply take out a new policy and then transfer/gift that policy to the Boys & Girls Club Endowment Foundation as the new owner and beneficiary. (Note: It is also possible to use an existing policy to make this transfer/gift.) Your policy premiums can be tax deductible if you make a gift to the Boys & Girls Club Endowment Foundation in the amount of the premium and we, in turn, pay the premium for you. You will receive a receipt for your tax-deductible donation.

Investing in kids – together!

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