

Building

LEGACIES

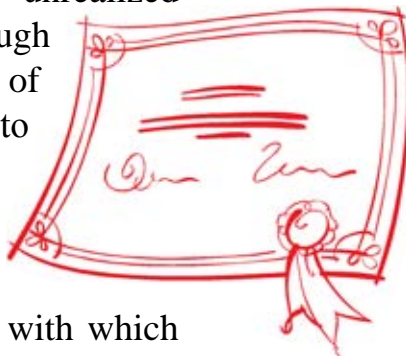
Financial & Gift Planning Ideas from
your United Methodist Foundation

Fall 2005

The Gift of Life Insurance

Life insurance has been around for only about 200 years, in that time it has become a one-and-one-half trillion-dollar business. The average family owns more than \$25,000 of life insurance, creating an unrealized potential for charitable gifts through life insurance policies. Little of this money ever finds its way to the church.

- For many donors, life insurance has great appeal as a method of giving. It uses a resource with which they are familiar.
- Gifting life insurance usually requires no special legal consultation or fees.



- Life insurance provides a simple, convenient tool with which donors can use to give larger and more satisfying amounts than may otherwise be possible.

- Life insurance provides several gifting options. Gifts may be made immediately, later or in combination.

New policies can be purchased to establish charitable gifts, but many donors utilize existing policies. Many churches have discovered there is an interest in giving through life insurance and individuals have discovered the simplicity of this giving tool.

Enhance Your Giving Through Life Insurance

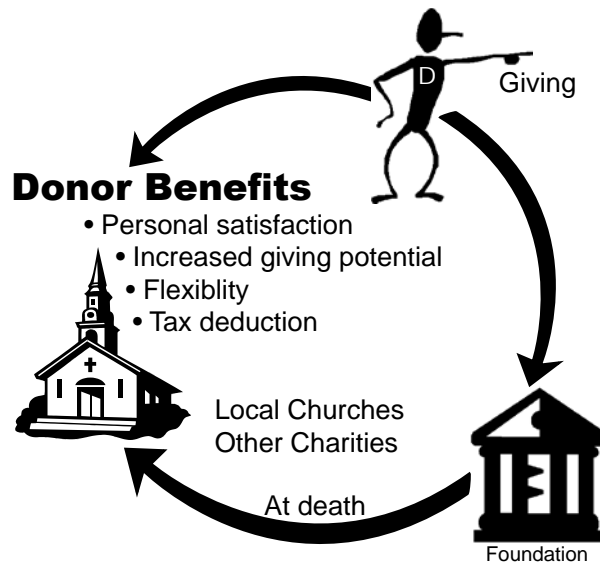
Here are six unique ways to increase your giving potential through life insurance:

- Give a policy you have outgrown.
- Give by purchasing a new policy.
- Give by assigning policy dividends.
- Give by designating your church or another charity as secondary or remainder beneficiary.
- Give by naming your church or another charity as residual beneficiary.
- Give by using your policy to fund a Charitable Remainder Trust or Gift Annuity which will provide income for the benefit of a loved one.

STORY INSIDE: How one person built a legacy.

Yes, You Can Give Through Life Insurance

Giving through life insurance is often overlooked, but is a highly effective means of giving. This method of giving can make it possible to give gifts which otherwise may not have been made — sometimes at no noticeable cost to the giver.



A qualified life underwriter can give additional details and possibly suggest more ways in which life insurance can be used in your giving plan.

Giving an Existing Policy

Life insurance is purchased for a specific purpose. As time passes, our need for life insurance can change. Today, you may have a paid-up life insurance policy that you have outgrown; you can give this existing policy to an organization and receive substantial tax benefits. Below is an example of this type of gift.

Ken and Ruth Williams bought a life insurance policy when they bought their first house and their children were small. Now their children are grown and their mortgage is paid. Ken and Ruth would like to give this paid-up policy of \$50,000 to benefit their church and other charities. By naming the foundation as owner and primary beneficiary, the Williams will receive a current income tax deduction equal to the replacement cost of the insurance, as well as the satisfaction of benefiting the Lord's work.

Life insurance allows you to meet your giving goals for a relatively modest

Purchasing a New Policy

contribution. Purchasing a new policy as a gift is particularly attractive to individuals in their thirties, forties, and fifties. You could purchase a policy on another person, such as a spouse, child, or other individual. You may be surprised to find out how large a contribution you can make to the ministry of your choice. Below is an example of this type of gift.

Don and Sharon Rogers decide they want to make an annual gift of about \$1,000 for a significant future gift through a life insurance policy. This policy was established with their church and another charity as ultimate beneficiaries. The Rogers' discover if they take the life insurance policy out on Sharon, who is 35, they can make a \$100,000 life insurance gift for a single premium of \$5,000, or the cost of \$1,100 annually for five years.

The Foundation is here to assist in establishing a plan for your charitable giving.

Building a Legacy

Dawn Wiley participated in savings plans through her employer for years. After retiring, she began to plan how she could best use her savings to benefit her favorite charities. In that process, she was introduced to a financial advisor who had at one time attended her church. She told him of her desire to include her church and World Vision in her will. He suggested that giving a life insurance policy would be a wise way to give, with nice tax benefits. The advisor said, "Give while you are living so you know where it is going." Dawn started doing some research and talked to Tamara Hendricks, Assistant Director at the North Indiana United Methodist Foundation, where she received many answers to her questions.

Dawn purchased a Life Insurance Policy naming the Foundation as owner and beneficiary of the death proceeds. The Foundation and Dawn have a written agreement, which outlines how the policy proceeds will be administered. The proceeds will be used to establish two funds, the Dawn A. Wiley Crescent Avenue UM Foundation Fund and the Dawn A. Wiley World Vision Sponsorship Fund.

When asked why she selected World Vision, she said, "I feel a real passion for missions and have sponsored children through World Vision since 1985. I have been very blessed to be able to share with these children."

Dawn attends Crescent Avenue UMC in Fort Wayne, which is approaching its 100-year anniversary. She is very involved in her church and on several committees. She became more aware of the Weekday School when becoming a member of the Board and further involved as Board Chair for six years. The Weekday School started as a nursery school for the members of the congregation. It

has since developed into a community outreach preschool and child care center.



Her love for children and a passion for the Weekday School's continued success influenced her decision to include it in her gifting plans. A portion of the proceeds will establish a fund to provide income to the Crescent Avenue Weekday School.

Dawn stated, "I am very blessed with good health and the financial ability to do something like this. It is a wonderful way to give, and I know it is going for good causes. It makes me feel very good and is rewarding to know that I will be helping other people after I'm gone."

Dawn has known about the Foundation for many years. One of the reasons that she decided to use the Foundation is its association with the UM church. After several conversations with Tamara, Dawn was confident that she was doing the right thing. She is very grateful to be able to make this gift through the Foundation. She knows that she can trust the Foundation to take care of her wishes properly. It was very important to her that the Foundation was able to administer her gift for World Vision in addition to the gift for her church's school. This was much simpler than working with the entities separately. It was also very comforting to work with an agency of the church to accomplish her gift goals.

Dawn has complete confidence that the Foundation will be there to assist with any future charitable plans that she may have. "I recommend this way of giving to anyone. In addition, I hope that the Foundation can come and share how to give through a Life Insurance Policy and the many other ways of giving with my church," she said.

The support you regularly contribute to your church will be missed after you die. Life insurance can enable you to guarantee this support, even after you are gone.

Would you like to multiply your giving potential for a minimal cost?

A life insurance policy, as a gift, can offer you increased giving potential, satisfaction, tax benefits and flexibility.

**Investigate
the Possibilities**
Isn't it time to investigate the
ways you can use what God has
so generously given you?

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Current Tax Benefits

Current income tax deductions are available to you when the ownership of a life insurance policy is transferred to a ministry.

1. You may deduct the present cash value of the policy in the year of the gift.
2. You may also deduct the cost of annual premiums that are being paid to keep the policy in force after the gift is made.

How Do We Give Life Insurance as a Gift to Our Favorite Charity?

1. Call the Foundation and share with us your thoughts and goals.
2. The Foundation will send you information regarding different gifting tools you may want to consider.
3. We will arrange to meet with you to answer your questions and explore the benefits of different options that could be used to achieve your goals.
4. We will develop proposals for the options most appealing to you, develop a comparative analysis, and prepare an explanation of the different options. We will send these materials to you for review and study.
5. We will arrange to meet with you to review all materials sent, answer your questions, and help you determine which options best meet your needs and help achieve your goals.
6. If you wish, we can provide administrative services for an endowment fund you may elect to establish. This could provide perpetual benefits to the charities you select.

Get Started on a
New and Exciting
Stewardship Adventure



Mission Statement

“The Foundation seeks to serve God by assisting agencies, churches and members in promoting stewardship of acquired assets, building of endowment funds, and administering entrusted funds for mission and ministry.”