

## ESTATE PLANNING

# Charitable Giving

Charitable giving allows you to support the organizations you care about most while opening the door for tax planning opportunities. Combining life insurance with charitable giving allows you to leverage your wealth to maximize your ultimate charitable legacy. And, it's easier than you may think.

## Plan one: Name your charity as beneficiary

If you currently own a life insurance policy, you could name a charity the full or partial beneficiary of the death benefit proceeds. At your death, your estate receives an unlimited charitable deduction for the gift. This is beneficial if you have a substantial estate that will be subject to estate taxes.

## Plan two: Purchase a key donor policy

Your charity could apply for a new life insurance policy on your life. The charity owns and controls the policy.\* Each year, you are eligible for a tax deduction for cash you give to the charity to help it pay policy premiums. After giving cash directly to the charity, make sure to get an acknowledgement of the gift for your records.

## Plan three: Give an existing policy to charity

If you own a life insurance policy you no longer need, you could give the policy to a charity by naming it as the new policyowner. At the time of the gift, you may be eligible for an income tax deduction for the fair market value of the policy. Ongoing cash donations made directly to the charity may also be eligible for additional income tax savings.

*Benefits and other considerations on back*



### Charity as **beneficiary**

**You** own and control the policy  
*Estate tax deduction*



### Charity as **owner**

**Charity** owns and controls the policy  
*Income tax deduction*



## The Benefits

- You can generate estate or income tax savings by giving to a qualified charitable organization.
- Life insurance amplifies the gift you leave to your charity. A relatively small annual cost (premium payments) will often produce a much larger benefit (death proceeds), allowing you the invaluable opportunity to be an endowment creator.
- When a charity owns and controls a permanent life insurance policy, it can access cash value inside the policy.

## Additional Considerations

- To qualify for a charitable deduction, donations must be made to a qualified charitable organization, such as a 501(c)(3) organization.
- Charitable gifts are subject to charitable and itemized deduction limitations. Work with your tax professional to identify whether your gift qualifies for a deduction in your particular case.
- Gifts of life insurance with outstanding loans can create adverse income tax consequences for the donor. Exercise care and work with your tax professional if you give a policy with outstanding loans to a charity.

You can learn more about charitable giving by requesting our brochure, [Make the Most of Your Personal and Financial Goals \(Form 2502\)](#).

Find out whether charitable giving with life insurance is the right strategy for you by contacting your Ohio National financial professional today.

\* Like most life insurance companies, Ohio National will not issue a policy owned by a charity on the life of a donor unless an established history of charitable contributions by the donor can be demonstrated.

This flier provides general information that should not be construed as specific tax or legal advice nor the law of any particular state. You should seek the advice of a qualified tax or legal professional for their specific situation.

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*Life changes. We'll be there.*