



Support the American Liver Foundation

Planned Giving: Gifts of Life Insurance

Perhaps one of the most financially efficient ways to make a major deferred donation to a charity is a gift of life insurance. Life insurance can be an easy and flexible way to make an important gift to the American Liver Foundation (ALF). There are several ways to consider making a gift of this asset. They are all predicated on the assumption that the protection provided by the insurance coverage is not needed by the donor or the donor's family. Whether it is an old policy that has outlived its original purpose (such as for a spouse who no longer needs it or a child who is financially independent, or to protect a business that no longer exists) or a new policy purchased specifically to benefit the American Liver Foundation, a gift of life insurance can allow you to leave a much larger contribution than may have been possible during your lifetime.

The simplest way is to make ALF a beneficiary of an already existing life insurance policy. Upon your passing, the full face value amount of the policy will go to ALF. Although the proceeds from the policy will be included in your gross estate, the full amount received by ALF may be deductible as a charitable deduction. To make ALF a beneficiary of an already existing life insurance policy, you can simply request a beneficiary designation form from your employer or insurance company. Most forms require the following information:

The American Liver Foundation's full legal name and address:

The American Liver Foundation
75 Maiden Lane, Suite 603
New York, New York 10038

The American Liver Foundation's federal tax identification number: 36-2883000

Your relationship to the American Liver Foundation (donor, supporter)

You can make the American Liver Foundation the owner and beneficiary of an already existing paid-up life insurance policy. By doing so, you may be able to deduct an amount equal to the approximate cash value in the year that you make the gift. Since ALF becomes the owner of the policy, the proceeds will not be included in your estate for tax purposes.

1. You can make ALF the owner and beneficiary of a policy on which you are still paying premiums. As with donating an already existing paid-up policy, you may be able to deduct an amount equal to the approximate cash value of the policy in the year that it is made. You may also be able to deduct any future premium payments, and the proceeds will not be included in your estate for tax purposes.
2. A fourth way is to purchase a new policy and make ALF the owner and beneficiary. Because ALF is the owner, you may be able to deduct premiums as charitable contributions for as long as the premiums are paid, subject to state limitations. In addition, the proceeds will not be included in your estate for tax purposes.
3. Finally, if you participate in a group-term life insurance policy through your workplace, you can donate your excess group-term coverage to ALF. Many employers provide generous life insurance coverage as a fringe benefit to their employees, but you may not realize that you are required to pay income tax on the cost of coverage over \$50,000.00. However, a special rule excuses this tax if you donate the excess coverage to charity. Excess coverage is an excellent way to make a valuable gift to ALF that not only doesn't cost you a dime in premiums, but in fact, saves you money. To make this gift, simply inform your company's benefits department.

Life insurance is a flexible charitable giving tool that can be utilized to suit your individual financial needs while also substantially supporting ALF programs.

The American Liver Foundation encourages you to speak with one of our representatives as well as your own financial planner or estate adviser in order to get more details – and to create a comprehensive plan that can meet all of your needs while providing the American Liver Foundation with important support to further its critical mission.