

Any person named in a policy to receive the proceeds at the death of the insured. Includes trusts and charitable institutions so named.

***Primary beneficiary***

First person (or group of persons) named in a policy who will receive the proceeds at the death of the insured.

***Contingent or secondary beneficiary***

Person (or group of persons) named in a policy who will receive the proceeds if the primary beneficiary is not living or in existence at the death of the insured.

***Residual beneficiary***

Person (or group of persons) named in a policy who will receive the remaining proceeds of a policy after the primary and/or secondary beneficiaries receive their share of the proceeds.

***Cash value***

Internal value of whole life policy based on net premiums paid and insurance company net investment earnings.

***Term life insurance***

Pure cost insurance with no cash value.

***Universal life insurance***

Flexible premiums with flexible cash value.

***Whole life (permanent) insurance***

Premiums fixed with related cash value growth.

***Survivorship (joint life or second-to-die) whole life insurance.***

Premiums actuarially based on two lives; benefits paid upon death of the second of the two persons.

***We are here to help you help the Church***

The Office of Planned Giving is here to serve you, and we would be especially pleased to discuss how one of these planned gift techniques would express your discipleship and achieve your personal financial goals. We will work with you and your legal, tax and financial counsel in planning to meet these goals. Please contact us to discuss a gift to your parish or the Dechant Foundation in your will or other estate planning documents.

This brochure is for your information on several types of planned giving opportunities. It is not intended as legal or tax advice. You should consult with your attorney, tax advisor and insurance counselor in planning these transactions.

This Publication has been adapted with permission from the Archdiocese of Detroit.



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**"G**ive and it shall be given to you... For the measure you measure with will be measured back to you."

Luke 6:38

*Planned  
Giving  
with  
Life  
Insurance*

### ***Advantage of giving through life insurance***

There are many ways to give to your parish or the Diocese of Dodge City through your life insurance policy. You can continue to assist those Church ministries that have relied on your generous lifetime support after your death. Some advantages of giving through life insurance policies are:

- Your wishes will be carried out as specified in the policy.
- The amount specified in the policy will be given to your parish or the Diocese of Dodge City.
- The proceeds will be paid promptly in cash and will not be diminished by probate costs.
- The gift will not be exposed to public view or contest.
- The proceeds almost always exceed the amount of the premiums you paid on the policy; thus, the amount of your gifts is multiplied.
- You may be entitled to tax savings on your gift of the policy.

### ***How to donate through life insurance***

There are several ways to donate life insurance to the Church.

If you no longer need your policy for your estate or family's protection, you can make a gift to the Church now by assigning your policy to your parish, the Dechant Foundation in the Diocese of Dodge City, or another diocesan institution, transferring all your rights of ownership. These rights include changing the beneficiary, borrowing from the policy, or surrendering the policy for its cash value. You are entitled to an income tax charitable contribution deduction for the cost value of the policy, or the amount of the net premi-

ums you paid, whichever is less, as well as any future policy premiums you pay. Moreover, you will have effectively removed the death benefit proceeds from your estate.

If you no longer need the death benefit of your policy, yet you want retain ownership of it, you can give the death benefit proceeds to the Church by naming your parish, the Dechant Foundation, or another diocesan institution as the beneficiary of your policy. You can name one or more of these Church institutions as:

- Primary beneficiary, to take the proceeds upon death;
- Contingent or secondary beneficiary, to take the proceeds if the primary beneficiary predeceases you; or
- Partial or residual beneficiary, to take the proceeds along with other named beneficiaries.

By naming the Church as a beneficiary but retaining ownership of the policy, you will not be entitled to an income tax charitable contribution deduction. However, your estate will receive an estate tax charitable gift deduction when the Church receives the policy proceeds.

If you would like to contribute to the Church through your life insurance policy, contact your insurance agent or the insurance company's home office for the forms needed to assign the ownership or change the beneficiary of the policy.

### ***Other uses of life insurance in charitable gift planning***

You may also use life insurance to replace in your family's estate the assets contributed to the Church through gift annuities or remainder trusts. The income tax savings and possibly increased cash flow from the charitable gift could provide funds for the new policy premiums.

### ***Examples of giving through life insurance***

Jane is married and has several children. She has a \$5,000 life insurance policy her parents bought for her as a child. Jane decides to name her parish, which she has supported for many years, as the beneficiary of that policy because her children are covered by other policies. Her parish will obtain the funds quickly, and because there is no public record either in her will or in probate records, her special gift will be a private matter.

Gary is insured under several life insurance policies, with his wife, Debbie, as beneficiary. He decides to name the Dechant Foundation as contingent beneficiary. Debbie will have a significant benefit if she survives, but if she does not, then the diocese will benefit. As part of their estate plan, Gary also arranges his employee benefits, stock options and IRAs in this same manner.

Bill is retired and owns a large stock portfolio with his wife, Mary. They give \$100,000 of stock to the Dechant Foundation for a joint life charitable gift annuity. To replace the \$100,000 in the family estate, they purchase a second-to-die insurance policy that will pay the proceeds to the family when the survivor dies. The Church benefits from their large gift, but the family estate remains about the same.

### ***Glossary*** ***Beneficiary***