



**St. Vincent Healthcare
Foundation**

GIFTING PAID-UP LIFE INSURANCE

Giftng a paid-up life insurance policy is a simple way to make a meaningful gift to benefit the healing ministry of St. Vincent Healthcare Foundation and receive substantial federal and state tax advantages. Here's how:

1. Transfer the policy to St. Vincent Healthcare Foundation, naming the Foundation as owner and beneficiary.
2. Restrict the use of funds to the Greatest Needs Permanent Endowment.
3. Receive a federal tax deduction on the insurance policy's replacement value. Federal tax deductions are limited to 50% of the donor's adjusted gross income.
4. 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 for the care they received at St. Vincent Healthcare , want to help support medical services for the underserved, and want to make a generous gift to the St. Vincent Healthcare Foundation's Greatest Needs Endowment. 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 St. Vincent Healthcare Foundation, restricting the use of funds for the Greatest Needs Endowment. They receive \$4,000 credit on their Montana income tax liability for the year 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!

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