

GIFTS OF LIFE INSURANCE

SELF-REALIZATION FELLOWSHIP
PLANNED GIVING PROGRAM



Self-Realization Fellowship

FOUNDED 1920

Paramahansa Yogananda

GIFTS OF LIFE INSURANCE

Life insurance offers you the opportunity to make a generous gift to Self-Realization Fellowship (SRF) with a relatively modest to no financial outlay. In addition to providing a substantial benefit to Self-Realization Fellowship, a gift of life insurance can result in tax savings for you.

There are several ways you can use life insurance for charitable giving: You can name Self-Realization Fellowship as a beneficiary or designate Self-Realization Fellowship the owner and beneficiary of a new or existing life insurance policy. You can also use life insurance to replace the value of an asset you donate to Self-Realization Fellowship.

SELF-REALIZATION FELLOWSHIP AS THE BENEFICIARY

A simple way to make a substantial gift to SRF is to name Self-Realization Fellowship beneficiary of a life insurance policy.

- 🐾 **SRF as Sole, Partial, or Contingent Beneficiary** — SRF can be the sole beneficiary, a beneficiary of a percentage of the life insurance proceeds, or the contingent beneficiary.
- 🐾 **SRF as Beneficiary of New Policy** — You can designate SRF as the beneficiary of a new policy.
- 🐾 **SRF as Beneficiary of Existing Policy You No Longer Need** — You can name SRF as the beneficiary of an existing policy that you no longer need for any number of reasons, including the fact that your children may have become financially independent, you purchased more insurance than you needed, or your designated beneficiary predeceased you. If you own buy/sell business insurance, you may find that it is no longer applicable because the underlying business has gone public or merged with another company.
- 🐾 **SRF as Beneficiary of Group Policy** — You can designate SRF as a beneficiary of a group term policy provided by your employer. Group term life insurance is an excellent tool for you to make a substantial gift to SRF at death without any financial outlay as explained below under the last paragraph of this section.
- 🐾 **How to Name SRF as Beneficiary** — To name SRF as a beneficiary, please obtain a “Designation of Beneficiary” form (for a new policy) or a “Change of Beneficiary” form (for an existing policy) from the insurance company’s customer service department for an individual policy, or from your employer’s human resources department for a group term life insurance policy provided by your employer.
- 🐾 **Tax Consequences** — From a tax standpoint, there is no federal charitable

income tax deduction for naming SRF as a beneficiary since you are not making an outright gift to SRF during your life. The policy's full face value is included in your estate on your passing, but your estate will receive an offsetting federal charitable estate tax deduction.

- 🦁 **Tax Benefit of Group Policy Providing Over \$50,000 Coverage** — There is an additional tax benefit to you if you are covered by your employer's group term life insurance policy that provides you with coverage in excess of \$50,000. You are required to pay federal and state income tax on the cost of coverage over \$50,000. If you name SRF as the sole beneficiary for coverage amounts in excess of \$50,000, however, you will not be subject to federal income tax on the cost for the excess coverage.

SELF-REALIZATION FELLOWSHIP AS OWNER AND BENEFICIARY

Another way to make a gift of life insurance to Self-Realization Fellowship is to donate your life insurance policy itself by naming SRF as the owner and beneficiary.

- 🦁 **Donor Giving Up Ownership Rights** — By naming SRF as the owner and beneficiary, you give up ownership of the policy and all incidents of ownership in the policy, including the right to change the beneficiary, surrender the policy, use the policy as collateral for a loan, or borrow from the policy.

- 🦁 **Tax Benefits of Paid-Up Policy** — If you donate an existing fully paid-up life insurance policy to SRF, you will receive the following tax benefits:

- A federal income tax charitable deduction in the year of the gift equal to the lesser of the cost basis or the fair market value of the policy. Cost basis is equal to the sum of all premiums paid to date less the amounts surrendered and dividends received in cash. Fair market value is equal to the replacement value of the policy based on your age and physical condition at the time of your gift.
- Removal of the policy's full face value from your estate for federal estate tax purposes.

- 🦁 **Tax Benefits if Policy Is Not Fully Paid Up** — If you donate a policy that is not fully paid up, your tax benefits will include:

- A federal income tax charitable deduction equal to the lesser of the cost basis or approximately the amount of the policy's cash surrender value at the time of the gift.
- An additional federal charitable deduction each year equal to the premiums you pay on the policy for the year.
- Removal of the policy's full face value from your estate for federal estate tax purposes.

To ensure that the policy remains in effect, we ask that you donate to SRF a lump sum amount sufficient to pay for the annual premium payment at the beginning of each year, until the policy is fully paid up. SRF will issue to you a receipt for each payment.

🐾 **How to Gift a Policy to SRF** — To transfer ownership of an existing policy to SRF and to name SRF as the beneficiary, you will have to complete two or possibly three forms that you should obtain from your insurance company's customer service department:

- **Change of Ownership Form or Absolute Assignment Form.** You will need to obtain the form from your insurance company by contacting its customer service department. The form will require your signature and the signature of an officer of SRF.
- **Beneficiary Designation or Change of Beneficiary Designation Form.** You will also need to change your beneficiary designation to reflect SRF. Again, your insurance company's customer service department should provide you with this form.
- **Investment Control Form for Variable Life Policy.** If your policy is a variable insurance policy, you will need to make one more change to ensure that SRF, and not your insurance agent, has direct control over the investment management of the policy values. Please check with your insurance company for the proper form to accomplish this purpose.

ASSET REPLACEMENT PLAN

A common concern that many people raise when considering a charitable gift is that they do not want to deprive their family or loved ones of an adequate estate. With some planning, you can create an asset replacement plan that will substitute life insurance for the assets you donate to SRF.

Upon making a gift to SRF, either outright or through another type of planned gift such as a charitable remainder trust, you can use the tax deduction and/or other financial benefits resulting from the gift to purchase life insurance to replace all or part of the assets donated to SRF. When you pass away, the proceeds would then go to your chosen beneficiary(ies).

DESIGNATION OF SELF-REALIZATION FELLOWSHIP AS OWNER AND/OR BENEFICIARY

To name Self-Realization Fellowship as owner or beneficiary of your life insurance policy, please complete the appropriate forms provided by your insurance company with the following information:

Self-Realization Fellowship

3880 San Rafael Avenue

Los Angeles, California 90065

SRF's federal tax identification number: 95-1942336

Your relationship to the beneficiary: Charity

IMPORTANT INFORMATION

For your information, your insurance carrier will require a death certificate before making a distribution to your beneficiary. Without the death certificate, your beneficiary will not be able to access the proceeds from your policy. For this reason, if you designate SRF as a beneficiary, it is important for you to provide us the means to obtain this document through the executor or personal representative of your will or trust. It is also important for you to provide SRF with your Social Security number on the form attached. We will keep the information you provide in strictest confidence.

FOR MORE INFORMATION, PLEASE CONTACT:

Self-Realization Fellowship

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