

# What is Canada Life My Par Gift participating life insurance?

## It's built on these foundations:

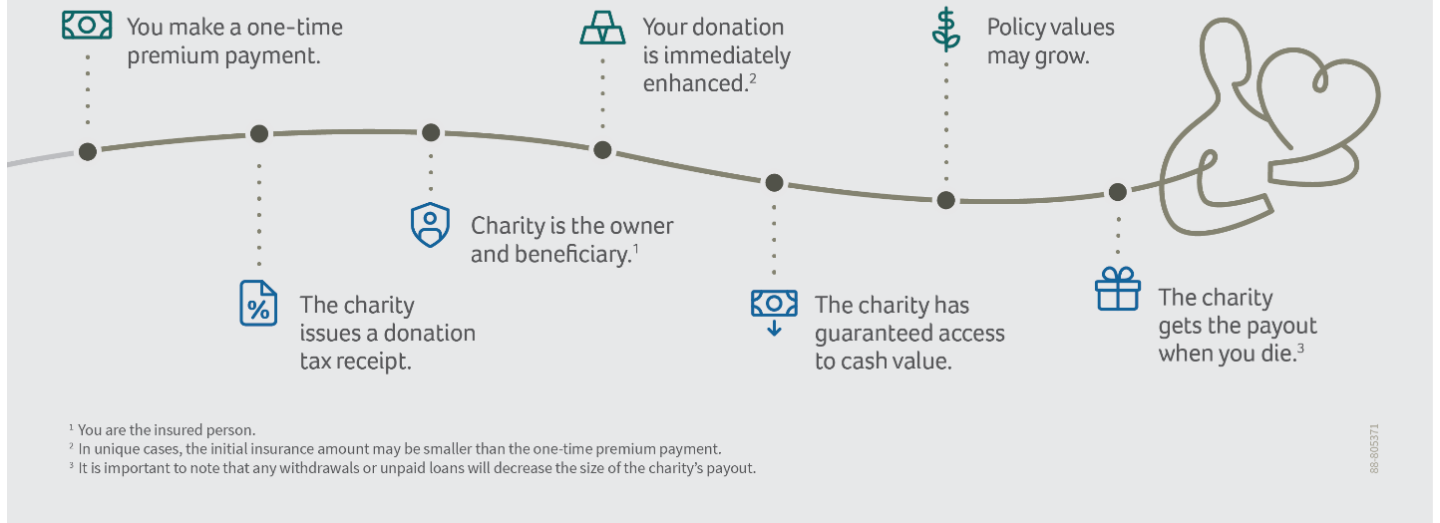
- **First and foremost, it's life insurance designed for charitable giving.** The registered charity receives the payout on death of the insured person.
- **It's a single premium payment.** The base amount of life insurance is guaranteed to stay in effect for the insured person's lifetime once the single premium payment is made.<sup>1</sup>
- **It belongs to the charity.** As the owner, the charity controls the policy.
- **It can help the charity grow its legacy through potential dividends.** Dividends can be used in many ways. The charity can choose to buy additional insurance coverage, which may further increase the policy's cash value and payout on death. Or, they can take the annual dividends as cash.<sup>2</sup>
- **It gives the charity flexibility.** Over time, the life insurance policy builds cash value. The charity has guaranteed access to these funds, which can be used in many ways during the insured person's lifetime. It is important to note that any withdrawals or unpaid loans will decrease the size of the charity's payout.<sup>1</sup>
- **It has tax advantages for the donor.** The single premium payment qualifies as a charitable donation.<sup>3</sup>

<sup>1</sup> In the case of a policy loan, if the loan plus interest exceeds the policy's cash value, the policy will end.

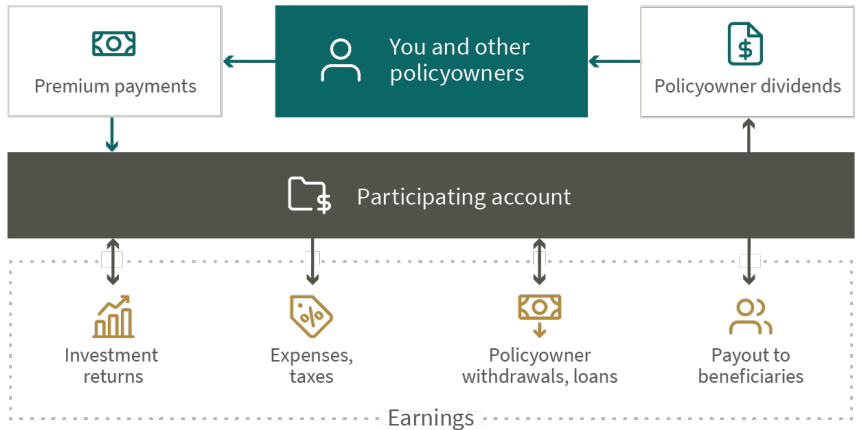
<sup>2</sup> Any annual dividend paid in cash to the policyowner will result in a tax slip being issued to the registered charity in any applicable year.

<sup>3</sup> All donation receipts would be issued by the charity, not by Canada Life. The recognized year of the donation made may be determined by a number of factors. Speak to your advisor for details.

## How Canada Life My Par Gift works



## How does participating life insurance work?



1. The single premium payment, together with the payments from all other Canada Life participating policyowners, go into the participating account. We manage this account to meet the guarantees and commitments to all our participating life insurance policyowners, now and in the future.
2. If actual performance is better than our assumptions at the time of pricing, which may include but isn't limited to investments, expenses and taxes, policyowner withdrawals and loans, and insurance payouts, earnings are generated for the participating account.
3. When earnings exceed the amount needed to meet guarantees and commitments, policyowners might be able to share, or "participate," in these earnings. We might distribute some of these earnings as policyowner dividends, although this isn't guaranteed. The distributed amount is influenced by considerations such as the need to retain earnings as surplus and to reduce short-term volatility in dividends.



### Experience

We've been in the participating life insurance market for **175 years**. We've distributed participating policyowner dividends since 1848, even through some of the worst economic events.



### Size

We have the **largest** open participating account in Canada.



### Expertise

Our **experienced teams and industry-leading partnerships** help us make strategic decisions about the participating account.



### Accountability

Our **transparency** has earned the trust of generations of Canadians.



### Conviction

Our investment approach remains focused on **long-term performance and stability**.

# Canada Life My Par Gift

## Frequently asked questions

### Product related questions

**1. Who qualifies as the owner of a Canada Life My Par Gift policy?**

The owner must be a registered charity.

**2. What qualifies as a registered charity?**

Canada Life doesn't determine what charities are considered registered. A registered charity refers to an organization that's registered as a charity with the CRA. You can visit the [CRA](#) site for more details on registered charities.

**3. Who qualifies as a beneficiary for a Canada Life My Par Gift policy?**

The beneficiary is intended to be the owner or another registered charity. If the owner wishes to designate a beneficiary that is not a registered charity, before doing so, they'll obtain professional advice about if this may affect their status as a registered charity.

**4. Who qualifies as the donor for a Canada Life My Par Gift policy?**

Generally, the donor will be the same as the insured.

**5. Can a corporation be a donor for a Canada Life My Par Gift policy?**

Yes. Generally, the controlling shareholder of the corporation must be the life insured of the policy.

**6. Can you have more than one person as the insured person for a Canada Life My Par Gift policy?**

Yes.

**7. What is the minimum single premium amount needed to purchase a Canada Life My Par Gift policy?**

\$10,000.

**8. Can a donor donate to two charities with one Canada Life My Par Gift policy?**

No. However, the donor can split their donation and have the two charities each apply for their own Canada Life My Par Gift policy. Or the donor could purchase one of Canada Life's other permanent life insurance policies and name the two charities as beneficiaries.

## **9. What if the registered charity ceases to exist?**

The assets of the registered charity that ceases to exist may be transferred to another registered charity having the same objectives (charitable purpose) through the appropriate legal processes in the applicable jurisdiction. Canada Life would need to receive a 584 CAN Title change form (section A – Ownership change) along with legal documentation evidencing the transfer in order to change its records.

## **10. What if a registered charity amalgamates with another registered charity?**

Canada Life would need to receive a 584 CAN Title change form (section C – Change of name) along with the legal documentation evidencing the amalgamation in order to change its records.

## Premium payment, donation receipts and tax related questions

### **11. Who can make a payment for the Canada Life My Par Gift policy?**

The donor can make the single premium payment directly to Canada Life or they can make the donation to the charity who will make the premium payment to Canada Life.

### **12. Who will issue the donation tax receipt to the donor?**

All donation receipts will be issued by the registered charity, not by Canada Life.

### **13. Once the donor makes a payment, how will the charity be notified?**

Canada Life will send the registered charity a notification of the amount and the date the policy was placed in-force.

### **14. How will a donor ensure they receive a donation tax receipt in a calendar year?**

If the donor needs certainty regarding the tax year in which their donation will be recognized by the registered charity owner, the donor should consider paying the registered charity directly during that tax year instead of Canada Life. This is because if a donor pays Canada Life directly instead of the registered charity, there is no guarantee that the calendar year the donor makes payment to Canada Life will be the calendar year the registered charity will recognize the donation for the purpose of issuing a charitable donation tax receipt. Rather, the calendar year in which the policy is placed in effect will be the calendar year the donation is recognized. This means that if the donor pays Canada Life in the current calendar year but due to underwriting and delivery processing, the policy is not in effect until the next calendar year, the donor will not receive a charitable donation tax receipt recognizing the donation for the current calendar year.

## Application and process related questions

### **15. What if the donor or insured would like information on the policy once it's in-force?**

A policy information access authorization form will be included in contract package. The charity can complete and return the form to Client Service.