



## Charities Need Your Help and We Can Help You

**Security Mutual Life is known as “The Company That Cares®.” We provide products and planning services that financially protect our clients during life and in retirement, and their families, at death.**

**W**e give back to the community by fighting the devastating effects of cancer through the non-profit, Sock Out Cancer®, LLC, wholly owned by the Security Mutual Life Foundation. As a Company, we also encourage our employees to generously donate to local, national and international causes. We proudly display the phrase “The Company That Cares®” along with our Company’s logo and branding materials, and employees live the essence of that motto daily. Similarly, we know that our clients are of like mind, which is one of the reasons why they do business with us. That caring attitude and philosophy, however, needs to spread.

According to a recent article by *The Chronicle of Philanthropy*, charities are in greater need of assistance post-pandemic.<sup>1</sup>

The reasons are many and those reasons have hurt donors as well as the charities. They include the effects of inflation; limited cash flow; market volatility; increasing labor costs; staffing shortages; corporate layoffs; increased demand for services; a possible recession; and more. In addition, the world continues to suffer from natural disasters, diseases, and the impact of the Russia-Ukraine war.

Fortunately, we can help clients who are charitably inclined to fulfill their philanthropic goals without sacrificing personal financial safety. We do that by having experienced Security Mutual Life insurance advisors working closely with their clients and other advisors, such as CPAs and attorneys, to map out a plan that meets personal financial goals as well as charitable goals.

For example, while reviewing and updating a personal or estate plan, strategies can be put into place to ensure that your favorite charities are provided for during your life or at death. That can be accomplished through a variety of estate and personal planning techniques such as testamentary gifts in a Will, naming charitable beneficiaries to IRAs and qualified retirement plans, Qualified Charitable Distributions, donations to a Donor Advised Fund, or through more advanced techniques such as Charitable Remainder Trusts and Charitable Lead Trusts. Other strategies can also be employed. Charitable giving strategies may also yield income, gift or estate tax deductions.

Life insurance strategies can also be employed to assist charities while helping to provide personal and family financial security. That includes naming your favorite charitable organizations as partial beneficiaries or contingent beneficiaries of your life insurance benefits. Mature policies may be transferred to a non-profit so that they may receive an endowment at your death through the life insurance death benefit.

For regular and substantial donors, a charity may even be able to purchase life insurance on your life so that an endowment may be received by the charity at your death through the death benefit.

In the latter situations, however, charities will not go out-of-pocket to pay continued premiums because that diminishes cash reserves that would go toward the good work that they do. That can easily be solved by pledges made by the donor to continue donating enough money to cover premiums, or to use limited-pay or single-pay designs for the life insurance. While not the primary purpose of a charitable donation, contributions of life insurance or ongoing premiums may still result in income, gift or estate tax deductions.

As you can tell, there are many ways to incorporate charitable giving into your personal and estate planning goals. And, by working with a Security Mutual Life insurance advisor, you can help your personal and family protection and retirement goals continue to be met.

#### For More Information Contact:



**Contact your Security Mutual Life insurance advisor today to review your goals and objectives for yourself and your family. Your Security Mutual Life insurance advisor will work closely with your tax and legal advisors to create a philanthropic plan that best fits your goals and objectives.**

<sup>1</sup>Lindsay, Drew. "Inflation and Labor Costs Squeeze Nonprofits as Pandemic Relief Wanes. Is a Fiscal Cliff Ahead?" [philanthropy.com](https://www.philanthropy.com/article/inflation-and-labor-costs-squeeze-nonprofits-as-pandemic-relief-wanes-is-a-fiscal-cliff-ahead)  
<https://www.philanthropy.com/article/inflation-and-labor-costs-squeeze-nonprofits-as-pandemic-relief-wanes-is-a-fiscal-cliff-ahead> (accessed March 10, 2023).

Tax laws are complex and subject to change. The information presented is based on current interpretation of the laws. Neither Security Mutual Life nor its agents are permitted to provide tax or legal advice.

The applicability of any strategy discussed is dependent upon the particular facts and circumstances. Results will vary and products and services discussed may not be appropriate for all situations. Each person's needs, objectives and financial circumstances are different and must be reviewed and analyzed independently. We encourage individuals and business owners to seek personalized advice from a qualified Security Mutual Life insurance advisor regarding their personal needs, objectives and financial circumstances.



*The Company That Cares.®*

