

# Key Donor Life Insurance Program



Have you considered making a lasting gift to your Jewish community but were concerned about how to do so?



Do you want to make a charitable investment now that will yield significantly more in the future?



Partner with the Jewish Community Foundation to create a life insurance gift. The Foundation will share the cost of qualified new policies with you.

## Key Donor Life Insurance Program at a Glance

- Your gift creates a large endowment for the Jewish community in the future even if you do not have the resources now for a large gift
- The Foundation will advance half of the premiums for qualified, four-pay policies
- Premiums paid to the Foundation can be tax-deductible charitable donations
- Your name, or the name of a loved one, can be permanently memorialized
- With the policy proceeds we will establish a permanent fund. Your fund will be invested in a professionally managed, well-diversified portfolio. Each year, we direct a distribution in your name to The Jewish Federation of Greater Washington's Annual Campaign or Foundation grants

## More Information About the Key Donor Life Insurance Program

- This program is available for qualifying life insurance policies where the Foundation is owner and beneficiary of a policy with a minimum death benefit of \$125,000.
- You and the Foundation secure a policy illustration from a qualified life insurance company for a four-pay policy.
- The program accepts whole life, current assumption universal life and no-lapse guarantee universal life policies.\*
- The contract can be individual life or survivorship life.
- You pay half of the annual policy premium cost for four years.
- The Foundation advances the other half of the annual premiums.
- Once the policy matures, the Foundation will use the policy proceeds to recover the advanced premiums and create a permanent fund in the name you choose.
- You may direct the proceeds to the Foundation's general grant making or to perpetuate The Jewish Federation's Annual Campaign gift (PACE/LOJE).

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## For Example...

Sarah, age 50, gives \$5,000 to Federation's Annual Campaign each year as a Lion of Judah. To continue her support of our Jewish community in perpetuity, Sarah wanted to create a legacy gift. She worked with her insurance broker and found a \$125,000 permanent life insurance policy with a \$6,400 fixed premium and a guaranteed death benefit. The policy would be fully funded after four years of premiums. The Foundation took out the policy, and advanced \$3,200 (1/2 of the premium) each year for four years. Sarah made tax-deductible gifts of \$3,200 to the Foundation each year for four years to cover the other half of the premium. When the policy matures, the Foundation will recover from the death benefit the premiums it advanced plus interest at 2.5% per year (not to exceed total interest of \$25,000). Sarah will have created a Lion of Judah Endowment Fund of at least \$100,000 that will perpetuate her annual gift to Federation.

*\* Please note: (1) The proposed insurance company must be rated by either by Standard & Poor's as AA or above, by Moody's as Aa2 or above or by Best's as A or above or have an established Comdex rating of 90 or above; (2) for a whole life insurance policy, the annual premium, paid over not more than four years, must be based on the current dividend scale less 1%, with dividends used to purchase paid up additional life insurance. The future premiums beginning in year 5 are funded from the surrender of accumulated and future paid up additional life insurance; (2) For current assumption universal life insurance, the annual premium, paid over not more than four years, must be based on the current crediting rate less 1%, and less the current cost of insurance and current expenses assuming the policy endows at the maturity age (endow means that the cash value equals the death benefit); (3) For no-lapse guarantee universal life insurance, the annual premium, paid over not more than four years, must be based on the no-lapse guarantee premium required to maintain the policy until the maturity age (age 120 or if the maturity age is greater than 120, then the later maturity age); (4) The policy must be designed to last until the maturity age (usually age 120); (5) policies with annual premiums of \$200,000 or more require further review.*

## FOR MORE INFORMATION, PLEASE CONTACT:

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The Jewish Community Foundation partners with and inspires philanthropists and the Greater Washington community to advance a thriving, equitable world where all people can reach their full potential.

Combining Jewish values with personalized service, we inspire generosity, support philanthropists in maximizing their impact, and build and participate in learning and funding communities to make systemic, lasting change for generations to come — within and beyond the Jewish community.

## TURN TO THE JEWISH COMMUNITY FOUNDATION FOR:

- Support with giving to your favorite causes within and beyond the Jewish community
- Building a permanent legacy to support the work of Federation's family of agencies and the Greater Washington community
- Access to philanthropic and intergenerational learning programs ground in Jewish values and teachings
- Collaborative giving opportunities to amplify your impact
- Personal, impact-focused philanthropy advisory services
- Tax-advantaged gift options

*The Jewish Community Foundation and The Jewish Federation of Greater Washington do not provide legal, financial, or tax advice. Donors are encouraged to seek independent tax and legal counsel.*