

Insurance dedicated to Kojain

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Goal: Using life insurance, to significantly increase gifts to charity without any additional cost to Kojain. Those who intending to gift some portion of their wealth to charity, maximize the donation and increase it many times over. Current tax laws favor voluntary charitable giving.

Objective: Make Kojain financially strong on a long-term basis.

How it works? Money is slated for charitable giving, whether it is an annual gift of some percentage of your income, or a one time bequest, to greatly increase your intended donation.

Instead of gifting the money outright now, use it to purchase a life insurance policy and name the Kojain as the owner of the policy. At the death, your charity will receive a highly optimized bequest. You can increase your donation ten times, if you and your wife purchase the insurance when you are age 60, five times if you are 70 and 3 times if you are 80.

The Galas and The Chhedas each decide to give \$10,000 to Kojain. The Galas make the donation now. Because our nation favors charitable giving through tax incentives, they receive a \$10,000 write-off resulting in a \$5,000 tax savings. In effect, their \$10,000 gift only cost them \$5,000. The Galas are thrilled that they can make such a generous gift and even more thrilled that they can do so in such an advantaged manner.

The Chhedas also want to give \$10,000 to Kojain. But instead of giving the gift outright, they use the \$10,000 to buy a policy on their lives with the Kojain as beneficiary and owner. At average age 60, they receive a 10-to-1 return, which means that upon their deaths their donation to charity becomes \$100,000 instead of \$10,000. They receive the same tax advantages as the Galas did. They get the same \$10,000 write-off and the same resultant \$5,000 tax savings for their gift but they have leveraged their \$10,000 gift to \$100,000.

Gifts to charity can be greatly optimized using life insurance and the tax advantages of charitable giving.

The Galas:

\$10,000	To Kojain
\$ 5,000	Charity Tax Savings
\$ 5,000	Cost to Galas

The Chhedas :

\$ 10,000	Buys Insurance
\$ 5,000	Charity Tax Savings
\$ 5,000	Cost to Chhedas

\$10,000	To Kojain	\$ 10,000	Insurance
		<u>X 10</u>	
		\$100,000	To Kojain

If the Chhedas did not execute this program until they were average age 70 their \$10,000 gift would increase to become a \$50,000 gift to their charity. Even if they wait until they are 80, they can still improve their gift's value from 10,000 to \$30,000.

The Chhedas could further increase their gift by buying the policy on the lives of their children for the benefit of the Kojain. At young ages, the returns on a policy can be as much as 50 times.

So, if they gift \$10,000 to their favorite Kojain or their own foundation for a policy on their children, they will gain an immediate \$5,000 tax savings and, upon the ultimate death of their children, the selected charity receives \$500,000.

Buying insurance on your children instead of on yourselves can optimize the charitable gift even more ...still at no cost!

The Chhedas:

\$ 10,000	Buys Insurance on their children
<u>- 5,000</u>	Charity Tax Savings,
\$ 5,000	Cost to Chhedas

\$ 10,000	Insurance on children
<u>X 50</u>	Insurance Return
\$500,000	To Kojain

We usually recommend to people who consult us about their charitable giving that they split the money they have slated for charity so that some is gifted immediately, some is used to buy insurance on them and some buys insurance on their children. This allows the pleasure of knowing the charity will receive an immediate gift along with the joy of substantially maximizing the entire donation.

In this way, the Chhedas could take \$10,000 of their intended gift and give it to the charity for current operations, Then they would take \$7,000 to purchase a policy on themselves and use the remaining \$2,000 to purchase a policy on their children, both for the Kojain. Upon their deaths, the charity will receive \$70,000. Upon their children's deaths, it will receive \$100,000 more. Now the \$10,000, one-payment outlay, which actually only cost them \$5,000 and is ultimately recovered in full through the reduction of their estate tax, has produced eventually more than \$170,000 for Kojain.

The ultimate expression of charitable giving enhanced by "Die Rich" techniques.

The Chhedas:

\$10,000	Gift to charity
- 1,000	For current operations
- 7,000	Insurance on them
<u>- 2,000</u>	Insurance on their children
\$ 0	

\$ 7,000	Insurance on them
<u>X 10</u>	Insurance Return
\$ 70,000	To Charity

\$ 2,000	Insurance on their children
<u>X 50</u>	Insurance Return
\$100,000	To Kojain

\$ 1,000	For current operations
+ 70,000	Upon their deaths
+100,000	Upon their children's deaths
\$171,000	To Kojain

They could enact the exact same program using an annual payment plan as well.

Charitable giving can be one of the most delightful and fulfilling experiences there is. The pleasure that comes from knowing you have left a legacy of help for those who need it, is a very special joy. We all have something to contribute to make our world better and, using the techniques mentioned above, we can maximize those contributions to levels that were previously prohibitive. This is the epitome of what it means to die rich.

CALCULATE HOW THIS CONCEPT WOULD WORK FOR YOU

RESPONSIBILITIES AND AUTHORITIES:

- A committee established will manage this program.
- One member of this program must be the member of the Kojain Board of Director.
- The Kojain Board of Directors selects chairperson. Due to the long-term nature of this program, it is recommended that the chairperson should hold the position for a long period.
- Kojain Board of directors can recommend the members for this committee. The Chairperson makes the selection.
- KOJAIN Executive Committee will provide the administrative/management support and shall have full discretion in taking critical decisions and also to revise the rules and regulations, if circumstances warrant it.
- The Program committee shall be responsible for the working needs of this committee like application forms, fund raising methods, pamphlets, telephone drive, and day-to-day affairs of the committee.
- Chairperson shall be responsible for all the records, such as the applications, keeping records of who is given the loans, communication with the applicants.

POLICIES OF INSURANCE FOR ELDERS DEDICATED TO KOJAIN:

- All the funds received must be distributed for the purpose it is awarded for by the donor.
- All funds will be maintained by the treasurer of Kojain and must have a separate account number.
- Only up to 96 % of the allowable fund shall be distributed, 3% of the fund for maintaining accountability and processing funds for the program. Rest 1% for Kojain general fund. Disbursement should never exceed the amount collected.
- The Program Committee will make the day-to-day management decisions.

All decisions awarding assistance are binding to all the applicants and are final.