Legatus Memoria

Overview

The Legacy Life Executive Benefit®

Balancing your needs.

Today the best corporations have learned to balance the needs of shareholders, the environment, and their community where they do business and their employees live. Philanthropy is a key to unlocking success for the corporation in the new millennium. Emphasis on paying it forward or giving back occurs in our daily conversation.

As a reflection of corporate and community citizenship, Legatus Memoria® models the highest standard of transparency and genuine commitment to meaningful philanthropic engagement consistent with the established vision, mission, purpose, and bylaws of the corporation.

Many successful corporations have utilized Corporate Owned Life Insurance (COLI) to informally finance executive benefit plans. Did you know that COLI can be used for Corporate Community Engagement? The Legacy Life Executive Benefit® provides key executives with the ability to self-direct a predetermined amount of charitable contributions by the corporation, on their behalf, to a charity of their choice.

Additionally, the corporation can make tax deductible contributions to foundations, non-profits, and other related charities within the communities where they have employees and do business.

How the Legacy Life Executive Benefit® works:

Mark L. Gurley, CLU, ChFC, CLTC, CAP, a financial advisor, has shown the concept may be beneficial using both single premium and annual payment life insurance plans.

A corporation that has cash or cash equivalents on its balance sheet or retained earnings, can place a portion of these funds in an institutionally priced life insurance contract allowing earnings to be tax free, often at much better yields than current alternatives. The excess death benefit, usually two times more than the initial deposit, can be structured to give to charity upon the death of the executive whether it is during employment or more likely in retirement.

These excess proceeds are received tax free by the corporation at the executive's death but receive a tax deduction when given to a 501(c)(3) non-profit. In other words, a corporation can give away money that was not on their balance sheet that was received tax free but still receive a tax refund from the IRS for the gift. Approximately an amount equal to 60% of the original deposit can be given to charity while retaining the original principle and earnings tax free. However, the excess death benefit will decrease over time as the cash value in the life insurance policy increases.

To learn more contact:

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