



Brought to you by Todd Minard, PGK, FICF

KNIGHTS OF COLUMBUS

# Financial Beacon

Winter 2020



## In this issue:

- ◆ Looking at the many benefits for members and families
- ◆ Exploring annuity options: safe and secure, guaranteed
- ◆ Using Required Minimum Distributions (RMDs) to fund annuities
- ◆ Planning for long-term care as a family



## A MESSAGE from your agent

### **Dear Brother Knight:**

While I serve as your Knights of Columbus insurance field agent, I also want to share with you the many other member benefits available to you and your family.

Survivor benefits is the bedrock of our mission as Knights of Columbus. I am here to assist fellow Knights and their families at a time of loss of a loved one and provider.

Fraternal Benefits are numerous, and among them are guaranteed life insurance benefits for uninsurable children, as well as death benefits for the death of a child before or at birth. Member's families, including orphans, have also been helped by accidental death benefits (member/spouse).

We cannot help but think about the ways our family life might be impacted by tragedy, but planning for these possibilities is one way to put these worries in their proper place in our lives.

With proven analytical tools, I can assist you in identifying your financial risks and your goals. This financial needs assessment is customized to your unique situation.

I can also provide, at no cost to you, the personal planning handbook, which is designed to organize your personal information, express your wishes, and keep your goals in sight.

I welcome the opportunity to meet with you. Please contact me today.

Fraternally yours,

**Todd Minard**

## Safe and secure: Using a lump sum to purchase a single premium annuity

Throughout your working life, you try diligently to save for retirement. When it comes time to move from accumulation to distribution, though, security becomes more of a concern.

With Knights of Columbus annuities, your money is safe and growing, guaranteed. An annuity is a form of insurance, and you have many choices in structuring one that works for you.

### **Single premium, predictable income**

Qualified money (such as IRAs, ROTH IRAs, SEPs, or TSAs) or non-qualified money may be used to purchase a single premium annuity; your annuity can be paid out to you immediately. You choose the frequency of the payments back to you: monthly, quarterly, semi-annually or annually.

### **Guaranteed principal and growth**

The funds you put into an annuity are guaranteed to grow; and they are backed by the financial strength of the Knights of Columbus. You are guaranteed a minimum rate of interest for life. When annuitized, payments from a qualified annuity, like an IRA, are 100% taxable as ordinary income. When a non-qualified annuity is annuitized, only the portion considered gain is taxed.

### **Choose your income stream**

**Guaranteed period only.** You have the choice of receiving payments for a guaranteed period of time, from 5 to 30 years. The amount you will be paid is level for the time period you have chosen.

**Lifetime with guaranteed period.** With a life and guaranteed period settlement option, you receive the payments for your lifetime, but should you die before that guaranteed period, your beneficiary receives the payments for the balance of that period.



**Joint and survivor option.** With the joint and survivor option, you receive regular payments for your lifetime; then, in the event of your death, your survivor will receive payments for as long as he or she lives. When annuitized, you choose the percentage that your survivor will receive—50%, 66.6% or 100%.

**Deferred annuity.** If you are not in need of immediate income, you may opt for a deferred annuity. It may be established with a lump-sum single premium, but you defer the payments back to you. With this type, you defer payments at least five years, and you must begin receiving payments by age 84. You then will receive regular payments for the rest of your life.

### **Death benefit**

When you own a Knights of Columbus annuity, you choose a beneficiary, so in the event of your death, the proceeds bypass probate and go directly to the beneficiary.

In the case of the guaranteed period option, if you should pass away before all of the guaranteed payments have been made, the remainder of those payments will be paid to the joint owner (if you selected one) or your named beneficiary.

### **Retire with the Knights of Columbus**

As a Knight, you have the opportunity to put your hard-earned money under the watchful eye of one of the strongest and most secure organizations in the world. In retirement, it is a comfort to know that your work is done, your money is safe, and it is actually *working for you*.

Contact me today to structure a single premium annuity that can provide you with the peace of mind of never outliving your money. ♦

# Using RMDs to fund deferred annuities

Once you reach age 70½\* you are obligated to take required minimum distributions (RMDs) from qualified retirement accounts, and these withdrawals are taxed as ordinary income.

If you find that these RMDs exceed your immediate financial needs, but cashing out your retirement accounts doesn't make sense for your situation, you may want to consider using them to periodically fund a deferred annuity, to sustain you and/or your spouse should you live to a ripe old age.

## Required Minimum Distributions basics

**What and when.** The RMD is the minimum amount you must withdraw from your IRA, SIMPLE IRA, SEP IRA, or other retirement plan account, starting at age 70½. Roth IRAs do not require withdrawals until after the death of the owner.<sup>1</sup>

You generally have until April 1 of the year following the calendar year in which you reach 70½ to take your *first* RMD. Subsequent year's distributions must be made by December 31 of each year.

Your withdrawals will be included in your taxable income *except* for any part that was taxed before (your basis) or that can be received tax-free (such as

qualified distributions from designated Roth accounts).<sup>1</sup>

**Calculation and withdrawal.** The required minimum distribution for any year is the account balance as of the end of the immediately preceding calendar year *divided by* a distribution period from the IRS's "Uniform Lifetime Table." A separate table is used if the sole beneficiary is the owner's spouse who is ten or more years younger than the owner.<sup>1</sup>

## Planning for longevity

If you scrutinize the "Uniform Lifetime Table," you will see that the IRS would have you deplete your retirement account(s) around age 97. What if you live to 100 or beyond? This happens frequently these days.

While Social Security will hang in there with you, will that be enough? An annuity insures that you will never outlive your money.

## Create an income stream you cannot outlive

There are many ways to structure annuities, and you don't need choose just one. The important thing is to have an income you cannot outlive. How much of your retirement savings to put into an annuity is entirely up to you, and what gives you the most peace of mind. Perhaps you see your retirement in stages, needing more now, less later,



or just the opposite. Keep in mind that while you may be adventurous in the early years, there may be more medical expenses in the later years.

## Staggered deferred annuities

With a deferred annuity, you can choose when you begin receiving income payments. You may also have more than one annuity, each beginning at a different time.

Just as the start time can be selected, each one can end at a specific time. One or all can even include a lifetime payment option, if you should outlive the guaranteed period.

## Death benefit

When you own a Knights of Columbus annuity, you choose a beneficiary, so in the event of your death, the proceeds bypass probate and go directly to the beneficiary. ♦

<sup>1</sup>[www.irs.gov/retirement-plans](http://www.irs.gov/retirement-plans)


\*The Secure Act will change the RMD age to 72. More on the effects of this law will be provided in the next issue.


This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for tax, legal or accounting advice. You should consult with your own qualified tax, legal and accounting advisors before engaging in any transaction.

## YOUR AGENT



### D. Todd Minard, PGK, FICF

 10009 Merton Ave.  
Oak Lawn IL 60453

 **PHONE:** (708) 955-2362  
**FAX:** (760) 284-7257

 **EMAIL:** [todd.minard@kofc.org](mailto:todd.minard@kofc.org)



## Family benefits & services

Knights of Columbus consistently ranks at the top of the industry in financial stability and ethics. Please call to discuss these services:

- Financial needs analysis
- Life insurance
- Tax deferred fixed-rate annuities
- Long-term care insurance
- Disability income insurance
- Retirement account rollovers
- Estate preservation
- Scholarships
- Family fraternal benefits

Contact me today for information on long-term care insurance



KNIGHTS OF COLUMBUS  
**Financial Beacon**

Knights of Columbus Supreme Office

**D. Todd Minard, PGK, FICF**

10009 Merton Ave.

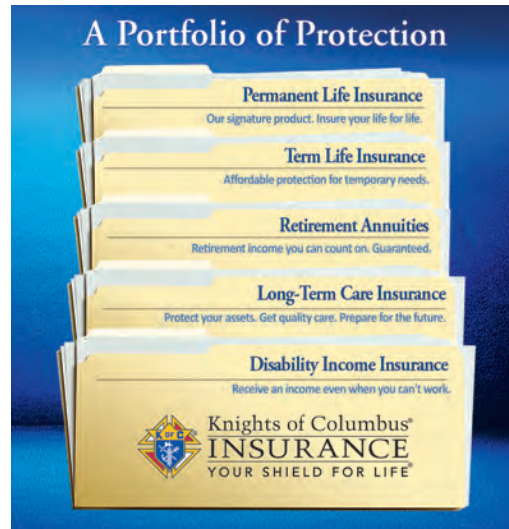
Oak Lawn, IL 60453



**The document your family will be glad you left behind**

In one place, you can assemble all the information your family would need to take care of basic financial matters in your absence. Your complimentary Knights of Columbus Personal Planning Workbook helps you compile details about key contacts (attorneys, insurance agents, etc.), financial accounts, bills, passwords, the location of important documents, and more.

Contact me today for your complimentary Workbook.



Contact me today for information on long-term care insurance

## Approaching long-term care planning as a family



When planning for long-term care, it is not only those needing care who are impacted. Often, the children of aging parents are still involved with caring for and supporting their own children.

### Approaching care as a family

Planning for long-term care is just that: long-term planning. If your family has not discussed your current and potential needs, I encourage you to do so now.

With multiple generations, each generation has a role to play in the plan for long-term care. For the

oldest, care may be needed soon, or immediately; for the youngest, it may be a concept difficult to comprehend. Each generation can help, and learn from, each other.

### Caring for parents and children

Today, it is not uncommon for parents of young adult children to be steeped in the funding of college education. These same parents may also be faced with the emerging needs of their own parents.

At times like these, it is all the more important for a family to work and plan together to find a solution best for the whole family. Many factors impact your lives; no family is the same as another.

### Do not forget yourself in the plan

Regardless of how ready you are to assist your parents and children, you must remember to take care of yourself. If you are relying on your retirement savings to assist others in the short-term, remember you must not put yourself at risk in the

long-term. What you learn from assisting your parents may be a roadmap for what you may need for your own future.

### No one knows what they will need

We are not able to see the future for ourselves or loved ones, but when insured you have the peace of mind that comes from knowing a plan is in place.

For some, helping parents work through the need for long-term care prompts them to better plan for their own needs in the future. This example may also help young adults appreciate the benefits of insuring for long-term care.

### You do not have to go it alone

Just as you have family to help create a plan for long-term care, I am here to help you, too. Together, we can look at the many options Knights of Columbus insurance offers to find the best solution for you and your family.

Contact me today to customize your policy.