SONS OF NORWAY
1455 West Lake Street
Minneapolis, MN 55408-2666

the Advisor

find your path to a secure future

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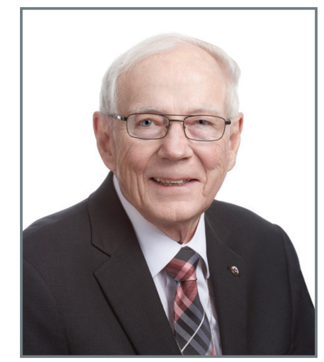
Dear Members,



Isn't it great being part of a community? Whether that consists of your neighborhood, place of worship or your family that's always been there for you, these communities add to the rich fabric of our lives in so many ways.

The ways that your Sons of Norway community can be there for you have meaning, too, as I'm sure you've experienced with lodge events, volunteering and participating in cultural and heritage activities. No doubt many of you are donors to our Foundation in addition to holding one or more of our financial products. As a Sons of Norway member, your community reaches far and wide and adds significantly to the depth and meaning of your life.

Consider this: If you are a Foundation donor, you may have helped a young man or woman achieve their education goals. Or, due to your generosity, a family may have benefited by receiving financial assistance during a time of disaster. If you hold an insurance policy, your forethought assures that your family can maintain their communities with more ease during times of stress or loss.

Your membership in Sons of Norway has cemented your communities in very tangible ways!

Please page through this issue of the Advisor to learn more about how through life insurance benefits and philanthropy you can strengthen what it means to be part of the Sons of Norway community, and how that, in turn, can enhance all the other communities you enjoy.

Fraternally,

Jon Tehven

Jon Tehven
International President
Sons of Norway

YES! *Please send me more information on the following products to help me achieve my financial goals*

- ☐ Complimentary Financial Review
- ☐ Preserving My Estate
- ☐ Saving For Retirement
- ☐ Pension Maximization Plan
- ☐ Universal Life Insurance
- ☐ Immediate Annuities
- ☐ Whole Life
- ☐ Single Premium Whole Life
- ☐ Tax-deferred Annuities
- ☐ IRA's - Traditional and ROTH
- ☐ Child or Grandchild Plans
- ☐ Level Term Life Insurance
- ☐ 401K Rollover
- ☐ Chronic Illness Accelerated Benefit Rider
- ☐ Medicare Supplement**

* These products may not be available in all states.

**Products from other insurance carriers offered by your Sons of Norway Financial Benefits Counselor.

6.17 #42

Want to be a Philanthropist? We can help.

By Corrie Maki Knudson
Director, Sons of Norway Foundation

You may have the desire to give big to charity, but think you do not have the means. Here is the solution: planned giving.

Planned giving easily allows for "impact gifts" because the donation usually comes after your lifetime from appreciated assets, life insurance or your estate.

People often leave planned gifts in the name of loved ones as a special way to pay tribute to them. Supporters may also want to leave a legacy in their own named fund. These types of funds are usually endowed and held permanently by a nonprofit in perpetuity for the charitable purpose designated by the donor. The options for giving are endless, but you should derive a deep sense of satisfaction from whatever you choose for your philanthropic goals.

Whether you want a named, endowed fund at a $100,000+ level or a gift for a nonprofit's immediate need for $10,000, here are some simple ways to leave your legacy:

- Include a nonprofit organization in your will/ estate plans.
- Name the nonprofit organization as a beneficiary in your current life insurance or annuity.
- Increase the death benefit of a new life insurance policy to include your charitable intentions from the start.
- Purchase a new life insurance policy and name the charity as the owner and beneficiary, (be sure to discuss this strategy with your tax advisor first, as you may be eligible for a deduction for the premiums).

I personally have named both the Sons of Norway Foundation and my alma mater as 10% beneficiaries each in my Sons of Norway life insurance policies. It was easy to do, and it allows me to leave a much larger gift through the death benefit than I could afford otherwise.

Whatever you plan for your gift, be sure to inform your favorite organization(s) of your intention. They will need to know how you want your gift used. They will also thank you properly and tell you about how you will make a difference!

Your Sons of Norway Financial Benefits Couselor (FBC) can be your first point of contact to help devise a strategy to carry out your wishes. They are experts and look forward to helping you.

Tips for Meeting with Your FBC

→ Think about your goals. Do you need help with retirement planning? Do you want to do something for your children or grandchildren?

→ Come with an open mind. Once you identify your goals, the FBC can provide options.

→ Inquire about different types of life insurance to see what products fit your needs. Do you have enough life insurance to replace your income upon death? Do kids need insurance? How much coverage should I really have?

→ Ask about the need for life insurance at different life stages. Many people assume they don't need coverage once their children are grown, but policies can help protect assets, supplement retirement and help cover final expenses.

→ Bring financial documents. Gather information about annuities, investments and other policies so your decision best fits your needs. Before an FBC will recommend a product, it's important to assess what you already own so there is not duplication and gaps can be filled.

→ Consider your timeframe. If you plan to make a decision right away, come with beneficiary names, social security numbers and dates of birth for the policies. If you want time to reflect on the products, the FBC will be available for a follow-up meeting.

Adapted from Feb. 2017 issue of Viking Magazine

For a complimentary consultation with your Sons of Norway Financial Benefits Counselor, visit sonsofnorway.com.

Sons of Norway offers life insurance and annuity products in the United States only. Not all products are available in all States.

Current 12 Month Interest Rates

Single Premium Deferred Annuity

Deposit Amount	Current Interest Rate	1st Year Interest Bonus*	Total 1st Year Return
$10,000 - $24,999	1.85%	.70%	= 2.55%*
$25,000 - $49,999	2.00%	.70%	= 2.70%*
$50,000 - $99,999	2.10%	.70%	= 2.80%*
$100,000 and over	2.15%	.70%	= 2.85%*

* These rates include a .70% first year bonus. Guaranteed Minimum Interest Rate: 1.00%

Interest rates as of 10/01/16 and are subject to change. New contracts only.

Flexible Premium Deferred Annuity

Deposit Amount	Current Interest Rate	1st Year Interest Bonus*	Total 1st Year Return
$2,000 - $9,999	1.60%	0%	= 1.60%
$10,000 - $24,999	1.90%	.70%	= 2.60%*
$25,000 - $49,999	2.05%	.70%	= 2.75%*
$50,000 - $99,999	2.15%	.70%	= 2.85%*
$100,000 and over	2.25%	.70%	= 2.95%*

* These rates include a .70% first year bonus. Guaranteed Minimum Interest Rate: 1.00%

Interest rates as of 10/01/16 and are subject to change. New contracts only.

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Single Premium Whole Life Benefits

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- Guaranteed paid up at the time of issue
- Guaranteed death benefit
- Guaranteed cash value
- Dividends paid annually beginning in the second year

For more information, contact your Financial Benefits Counselor

Top Reasons to Consider Life Insurance

The biggest benefit in the federal tax code is the income tax exemption for life insurance death benefits. Life insurance should be the bedrock of any financial, retirement or estate plan, but is it used enough? Here are a few points that explain how life insurance can enhance your long-term financial security.

Point #1 We are often told that IRAs are a good option for building savings. But consider this for a moment: IRAs may be looked upon as bad assets because they are tax-deferred, and taxes will have to be paid someday upon distribution in retirement. Replacing some of your IRAs with permanent life insurance turns the tax-deferred funds into tax free savings. Perhaps you should begin a program of systematic IRA withdrawals to decrease the IRA balance and put those funds into permanent life insurance. The tax from IRAs will have to be paid anyway beginning at age 70½, and in most cases at a higher rate on higher balances.

Point #2 Think of life insurance as an investment, not an expense. Moving funds from either IRAs or other accounts to permanent life insurance like a single premium whole life policy is not an expense; it's an investment in a better long-term asset. Having money in a life insurance policy removes not only the tax risk but can also eliminate the stock market risk depending upon which type of permanent life policy it is.

Point #3 Life insurance has lifetime benefits. Most people think of life insurance only for the death benefit which is income tax free, but most people don't know about the lifetime retirement and tax benefits. Funds in a life insurance policy can double as a retirement savings account without the worry of what future tax rates will be.

Point #4 There is more control with life insurance. IRAs are subject to annual required distributions (RMDs) after age 70½ whether the money is needed or not. (Note: Roth IRAs are exempt from lifetime RMDs). This causes forced distribution and additional taxes that you may not want or need. These forced IRA withdrawals take away control, while withdrawing from the value in a life insurance policy can be done at any time or not at all.

Final point Life insurance is a powerful wealth creation tool. Life insurance creates more long- term wealth than any other investment; and because this wealth is income tax free, it's much more valuable than tax-deferred retirement savings that are at the mercy of future higher tax rates.

It's the leverage that creates wealth. Life insurance is the only investment where one dollar can do the work of many and the result is guaranteed and tax free.

So to sum it up, here is my thought: I know that many people will never use or need some or all of their IRA money. They would rather just leave it to a beneficiary. While that's a good thought, the beneficiary still has to pay taxes on what they receive; so consider cashing out those IRAs that you don't need for income, and consider buying a single premium whole life policy in which this "leveraging" concept applies. If you did this, your beneficiary would receive a lot more money and it would be income tax free.

Contact your FBC for any questions or thoughts on the content of this article.

—*Leonard Carlson, Director of Agencies*

Advisor Answers

Q. ***I keep reading about the fact that the biggest fear of retirees is running out of money. Are there some guidelines for retirees on how much to take out of their retirement portfolio?***

A. A very good question. Perhaps you have heard about the "4% Rule." A withdrawal rate of 4% per year is a good starting point when considering how to draw down your assets without running out of money. Withdrawal rates above 4% will increase the odds of running out of cash.

The good news here is that you most likely won't run out of money in retirement, as long as the Federal Government can keep depositing Social Security payments into your checking account. The bad news is that you may run short of cash if you live beyond your life expectancy and deplete your portfolio.

So to address this concern, academic researchers have come up with what's known as the 4% Rule.

Here is the logic behind this rule:

- In the first year of retirement, you should draw down no more than 4% of your portfolio.
- In each succeeding year, you can increase your portfolio withdrawal to keep up with inflation.
- Judging by historic market returns, this strategy will provide a high probability that your portfolio will last 30 years or longer.

For example, assume you retire with a $500,000 portfolio. In the first year of retirement, a person draws out $20,000 (4% of $500,000). Assume that inflation is 3% that year. In year two of retirement, you add 3% ($600) to the annual income which would mean pulling out $20,600; and so on year after year.

There is no penalty for taking out more if needed, so it's a judgement call on the retiree's part. The main takeaway is to make sure you have an idea about what size of a retirement fund you'll need to support your lifestyle, so reassess your income situation and spending habits. As you approach retirement, you may find that increased savings may be the only way you can accumulate the desired amount by your retirement target date. Similarly, if you are already in retirement, the 4% Rule can help you determine whether or not you may need to adjust your lifestyle in order to avoid running out of money.

I hope this is helpful.

—*Leonard Carlson, Director of Agencies*

Single Premium Whole Life (SPWL)

- Guaranteed life insurance coverage to age 121 with one guaranteed premium
- Your policy is paid up with no additional premium ever
- SPWL is a good choice when additional life insurance is needed and you have a lump sum of cash available
- Source of lump sum payments are:
  - Savings accounts
  - Retirement accounts
  - RMD's (Required Minimum Distributions)
  - Bank CDs
  - Gifts
  - Inheritance
  - Insurance payout (death claim)
- Excellent way to transfer your assets to your heirs income tax free
- A one-time payment may provide several times that amount in coverage

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