

SEPT  
2018

Issue 47

the  
ADVISOR

GUIDING YOUR INSURANCE PLAN, PROVIDING PEACE OF MIND

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GUIDING YOUR INSURANCE PLAN, PROVIDING PEACE OF MIND

PAVE THE WAY TO A SECURE  
RETIREMENT WITH ANNUITIES FROM  
SONS OF NORWAY

Annuities can help take the guesswork out of planning for retirement; however, this great option for your financial peace of mind can also be misunderstood. My goal for this article is to simplify how annuities work at Sons of Norway.

Our flexible or single premium deferred annuities offer appealing options to help you save for retirement. And with our Single Premium Immediate Annuity (SPIA), your assets can be converted into a steady income stream when the time is right, usually at retirement.



Consider an FPDA if you:

- Want to earn interest on money without paying current income taxes – there is no 1099 until you draw the money out.
- Desire a competitive interest rate without market risk.
- Enjoy having access to your money.
- Are concerned about the probating of your estate. This money goes to a beneficiary upon death, therefore no probate.

Continued, next page →

- in this issue
- Annuities from Sons of Norway

• A Message from Your International President

• Advisor Answers

• Gain Peace of Mind at a Great Value

- Also in This Issue
- A Message from Your International President

• Advisor Answers

• Gain Peace of Mind at a Great Value

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

Member #

☐ IRA's - Traditional and ROTH

☐ Child or Grandchild Plans

☐ Level Term Life Insurance

☐ 401K Rollover

☐ Chronic Illness Accelerated Benefit Rider

☐ Medicare Supplement\*\*

☐ Complementary 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

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

\*These products may not be available in all states.

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# Pave the Way to a Secure Retirement with Annuities

Continued from front page

Next among our annuity options is the **Single Premium Deferred Annuity** (SPDA). The SPDA helps you accumulate money for retirement and other financial needs on a tax-deferred basis. It requires a one-time minimum premium deposit of \$10,000, and there are no sales charges. This means 100 percent of your money is earning tax-deferred interest from the day it is received until the day the money is withdrawn, just like the FPDA.

Who is the SPDA for? It's ideal if you're changing jobs or retiring – simply rollover your retirement plan to start a SPDA. Rollovers are tax-free and ideal for 401k, 403b, 457, SEP, Keogh, Simple Plans and other employer sponsored Qualified Retirement Plans. You can also transfer money, tax free, from regular non-qualified plans as well. For example, you may have a regular annuity (non-IRA) from another company that is not performing like you want it to. The SPDA would be a great place to put that money!

Finally, a **Single Premium Immediate Annuity** provides you a fixed monthly payment to assist with future needs. You can choose to receive your money for a fixed amount of time, like 5, 10, or 20 years, for as long as you live, or as a joint amount so that your spouse

receives income when you pass on. The SPIA is designed to handle both new premiums and as a payout of the cash value of your current Sons of Norway product.

A SPIA may be right for you if you want a future income stream that is steady and predictable.

So just remember, good things may come to those who wait. With a deferred annuity you set aside money today so you can receive income later. In between, you get tax-deferred growth on your earnings.

Please contact the Financial Benefits Counselor pictured on the front page of this publication for more information on how a Sons of Norway annuity can provide funds in your retirement. Or, if you are already retired, be assured that with a Sons of Norway annuity your money is always going to be there because Sons of Norway investments are primarily in high-quality corporate and U.S. government bonds – we are not involved in the stock market.

I hope you find this information to be helpful and of value as you proceed with your retirement plans.  
—Leonard Carlson, Director of Agencies

# A Message from International President Ron Stubbings



Dear Members,

This is my first message to you in this newsletter as your new International President, and I assure you that I will do my best to present highlights, news and announcements about the Sons of Norway insurance plans and products that appear in each issue.

Sons of Norway has been an insurance company since its inception more than 123 years ago! We have evolved, modernized and innovated our product lines many times over as members' needs have changed. Our expert Financial Benefits Counselors work diligently to listen to our members, identify the best financial products to suit their requirements, and are on hand to answer any questions when life circumstances change and new needs arise.

This issue of the Advisor can be considered a primer on annuities. Check out the articles to get a good grounding on how annuities can be an effective tool as you plan for retirement. Should you have questions about the type of annuity that is best for you, know that your Financial Benefits Counselor is eager to assist you.

With fall upon us and end of year in sight, why not take stock of your future financial plans sooner rather than later?

Wishing you well,

Ron Stubbings  
International President  
Sons of Norway

# Gain Peace of Mind at a Great Value

A practical solution to help cover final expenses such as medical bills, burial costs and unpaid debt would be for you to purchase a Sons of Norway's Guaranteed and Simplified Issue Whole Life product. Our products are among the most cost-effective of this type available nation-wide.

## Guaranteed Issue Whole Life features:

- Guaranteed premiums
- Guaranteed death benefit
- Guaranteed cash values
- Guaranteed issue upon completion of application
- No medical questions – guaranteed acceptance with completion of life application, membership application, payment of premium and acceptance by headquarters
- Graded death benefit – if death occurs during the first two years due to non-accidental causes, death benefit is return of premium paid plus interest

## Simplified Issue Whole Life features:

- Guaranteed fixed premiums
- Guaranteed death benefit
- Guaranteed cash value
- Fewer medical questions

To learn more, contact your Financial Benefits Counselor (pictured, front cover).

## Wanted: Financial Benefits Counselors Reward: \$500

It's true, pardner. Sons of Norway wants to corral qualified candidates with a passion for securing the financial future of their clients to join our team of Financial Benefits Counselors. Know someone who fills the bill? A referral could put \$500 in your saddlebag. For more information, contact National Sales Manager Mark Hellickson at mhellickson@sofn.com or 952-240-0385.

## Current 12 Month Interest Rates

### Single Premium Deferred Annuity

Deposit Amount	Current Interest Rate	1 <sup>st</sup> Year Interest Bonus*	Total 1 <sup>st</sup> Year Return
\$10,000 - \$24,999	2.20%	1.00%	= 3.20%*
\$25,000 - \$49,999	2.40%	1.00%	= 3.40%*
\$50,000 - \$99,999	2.50%	1.00%	= 3.50%*
\$100,000 and over	2.55%	1.00%	= 3.55%*

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

Interest rates as of 09/01/18 and are subject to change.  
New contracts only.

### Flexible Premium Deferred Annuity

Deposit Amount	Current Interest Rate	1 <sup>st</sup> Year Interest Bonus*	Total 1 <sup>st</sup> Year Return
\$2,000 - \$9,999	1.95%	0%	= 1.95%
\$10,000 - \$24,999	2.25%	1.00%	= 3.25%*
\$25,000 - \$49,999	2.45%	1.00%	= 3.45%*
\$50,000 - \$99,999	2.55%	1.00%	= 3.55%*
\$100,000 and over	2.65%	1.00%	= 3.65%*

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

Interest rates as of 09/01/18 and are subject to change.  
New contracts only.



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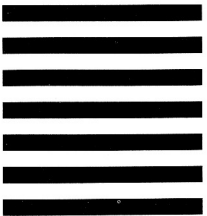
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### SONS OF NORWAY

1455 West Lake Street  
Minneapolis, MN 55408-9943





# Overview of Sons of Norway Annuity Features

## Single Premium Immediate Annuity

- Provides a stream of income to supplement Social Security with an additional guaranteed income that comes from the SPIA.
- The 4 settlement options to provide that guaranteed income are:
  - Period certain – 5 years through 20 years
  - Life only
  - Life with period certain – 10 years and 20 years
  - Survivorship options in joint life
- You'll have peace of mind knowing that you have a guaranteed income stream.

# Sons of Norway Elects New Officers and Directors

At its 2018 International Convention held August 16-18 in Bloomington, Minn., delegates from Canada, Norway and the U.S. elected international officers and directors and welcomed those returning to their roles.

## International Officers

President	Ron Stubbings
Vice President	Mark Agerter
Secretary (re-elected)	Marci Larson
Treasurer (re-elected)	Elaine Nelson

## International Directors

District 1	Karl Hella (returning)
District 2	Christine Hicks
District 3	Kenneth Johnson (returning)
District 4	Steve Halverson (returning)
District 5	Robin Fossum
District 6	Mary Beth Ingvolstad
District 7	Erik Brochmann
District 8	Per Mikalsen

The 2020 Sons of Norway International Convention will be held in Hamar, Norway, with dates to be determined.



## Sons of Norway's Goals for 2018

Sons of Norway is making headway toward achieving its 2018 goals. Here are the latest results.

	2018 Total Year Goal	Target Goal through August	Actual YTD through August
New Insurance Members	300	200	253
Total Life Premium	\$4.8 Million	\$3,200,000	\$2,940,544
Annuity Premium	\$16.5 Million	\$11,000,000	\$7,329,698
New Members	3,300	2,200	1,941
Foundation Funds	\$200,000	\$133,333	\$75,199

# Advisor Answers

**Q.** What is the difference between an annual gift tax exclusion and a lifetime gift and estate exemption?

**A.** A great question and one that can be misunderstood in estate planning.

Let's first look at the **Annual Gift Tax Exclusion**. This exclusion is the amount that can be given away by an individual in any year to an unlimited number of people without any federal gift tax consequences. To clarify, a single gift or a series of gifts made to the same person during the course of one calendar year that does not exceed the annual gift tax exclusion – \$15,000 in 2018 – is **not** subject to paying the federal gift tax.

For example, you give \$10,000 to your son in February 2018 and \$5,000 to your son in October 2018. Since the total amount of gifts made to your son during the 2018 calendar year only equals \$15,000, the gifts will not be considered gifts at all for federal gift tax purposes. You can give \$15,000 away to as many people as you want to. A thought here: This \$15,000 can be a wonderful gift for a grandchild to be used for a single premium life insurance policy.

In addition, for those who are married, each spouse holds the annual gift tax exclusion. As a result, a couple can collectively give \$30,000 to an individual in a given year.

Now a bit about the **Lifetime Gift and Estate Exemption**. It's the total amount that can be given away by an individual over his or her lifetime to any number of people that will be free from gift and estate taxes, but the amount gifted will in turn reduce the amount that can be given away by the individual at death free from U.S. federal estate taxes.

In other words, the Lifetime Gift Exemption is tied directly to the federal estate tax exemption, so that if you gift away any amount of your Lifetime Gift Tax Exemption, then this amount will be subtracted from your estate tax exemption when you die.

The current lifetime federal gift and estate tax exemption for 2018 is \$11.2 million per person. Here



is an example: If an individual gives away \$5,000,000 during his or her lifetime and the individual dies in 2018, the individual's remaining federal estate tax exemption will be \$6,200,000. In other words, the \$5,000,000 in lifetime gifts is subtracted from the 2018 lifetime federal gift and estate tax exemption of \$11,200,000. This individual pays no gift tax.

At death, any unused lifetime exclusion of the deceased spouse can be transferred to the remaining spouse by merely filing an estate tax return. In other words, at death, \$5 million of the exclusion is used by the deceased, leaving an unused estate exclusion of \$6.2 million. If an estate tax return is filed, which will have no tax due, then this unused \$6.2 million will be transferred to the remaining spouse and added to his or her \$11 million to give them an exclusion of \$17.2 million.

Finally, what happens if you make a taxable gift? Say that in 2018 you make a \$100,000 gift to your son (remember, the amount not taxable is \$15,000). In this case, the taxable gift is \$85,000, and so reduces your \$11,200,000 lifetime gift tax exemption to \$1,115,000. This taxable gift must be reported to the IRS on Form 709; however, no gift tax is actually paid because you still have \$1,115,000 to use up. Use of the lifetime gift and estate exemption can be a great way to gift a single premium life policy when the premium exceeds the \$15,000 annual exclusion.

I hope this was useful.

—Leonard Carlson, Director of Agencies

## Overview of Sons of Norway Annuity Features

### Flexible Premium Deferred Annuity

### Single Premium Deferred Annuity

- Backed by high quality government and corporate bonds that have stood the test of time for more than 123 years.
- Guaranteed minimum interest rate
- No sales charges
- No administration fee
- First year bonus
- Nursing home rider
- Competitive first year interest rates
- Turn assets into an income stream later
- Tax deferred growth
- Money is liquid

[Read on](#) ➡