



Brought to you by *Trey Welker, FICF*
The Pierce Agency, Kevin Pierce, General Agent

KNIGHTS OF COLUMBUS Financial Beacon

Winter 2021



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A MESSAGE from your agent

Dear Brother Knight:

St. Joseph's Cathedral in Hartford, Connecticut, erupted in applause and church bells rang as Father Michael J. McGivney, founder of the Knights of Columbus, was officially declared "blessed" at his beatification Mass held on Oct. 31, 2020.

In a decree from the Vatican that was read at the Mass, Pope Francis credited now-Blessed Michael McGivney for his "zeal for the proclamation of the Gospel and generous concern for his brothers and sisters" that "made him an outstanding witness of Christian solidarity and fraternal assistance."

During the event, Supreme Knight Carl Anderson read a brief biography of the K of C founder, stating that Blessed Michael McGivney remains a witness and inspiring example for the more than 2 million members of the Knights of Columbus around the world.

All Knights and their families, as well as all those devoted to Father McGivney, are asked to pray for his intercession in their daily needs, especially in cases of serious illness, and to report any favors and healings to the Guild.

Learn more about the Beatification of Father McGivney at KofC.org

Fraternally yours,
Trey Welker

Survivorship Universal Life is an ideal protection for the family business

Survivorship Universal Life (SUL), also known as joint and second-to-die coverage, typically insures both spouses with a death benefit paid after the death of the last insured.

If you are part of a family business, especially if the business relies heavily on income producing assets, Survivorship Universal Life (SUL) insurance may be right for you.

High net worth couples' heirs may use this death benefit to pay your estate taxes and other final expenses.

Succession planning is essential

There may be complex legal and financial issues to resolve when a family business passes from one generation to the next. To avoid liquidating the assets of a family business in order to:

- equitably distribute your legacy to your heirs,
 - cover estate settlement expenses,
 - pay any estate taxes that may be due,
- SUL insurance pays a death benefit typically free of tax obligations for your beneficiaries.

What is estate tax?

The federal government has set a valuation limit on estates subject to estate tax. If your estate's value is below this exemption limit, there will be no federal estate tax. For the amounts over the exemption limit, the estate tax is assessed.¹ There are a number of states that also levy estate or inheritance taxes, at various value limits.

Affordable option for couples

By insuring both spouses under one policy, the premium paid is almost always less than the premiums on separate policies with an equal combined death benefit. The difference is of course, the death benefit is paid out only after the last insured has passed.

Ready cash at a critical time

While a death benefit is helpful in settling your estate, it may also be critically important to the smooth operation of a family business.



Depending on your circumstances, there may be many things to deal with in a timely manner, and many may require cash.

Equity between your heirs

If you own a family business, do you know how you'll leave ownership interest to your kids who are involved and children who aren't?²

Many family businesses involve some adult children as active participants, while others are not involved. You may also need to plan for the care of a special needs child, including their future custodian(s).

The funds provided by an SUL death benefit may be a useful tool in the equitable distribution of your legacy to your heirs.

Foresight rather than hindsight

The charm and challenge of family business is well understood by those involved. The time spent planning and discussing the transition from one generation to the next can be critical to the ongoing success of an enterprise. Your heirs may benefit greatly from your foresight, rather than regretful for what might have been.

Contact me today to learn more about the affordable options available with Knights of Columbus Survivorship Universal Life insurance. ♦

¹<https://www.insuranceandestates.com/survivorship-second-to-die-life-insurance/>

²<https://www.forbes.com/advisor/life-insurance/survivorship-life-insurance/>

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.

What you can do now to lower your 2020 taxes

2020 is behind us. After that extraordinary year, we still must file tax returns. There are a number of ways you may be able to reduce your tax obligation for 2020 in this new year.

Contribute to retirement accounts

One of the easiest ways to lower your taxes for 2020 is to maximize your contributions to retirement accounts (up to April 15, 2021). Tax deferred account contributions lower your taxes now, but tax will be due in the future.¹

Maximize your health savings account

If you're eligible to participate in an Health Savings Account (HSA), you can contribute right up until April 15, 2021, the expected deadline for filing and paying your 2020 federal income taxes. Putting money into this account over the next few months can count toward your 2020 federal income tax return.²

Home office deductions

The eligibility rules for claiming a home office deduction have been loosened to allow more self-employed filers to claim this break. People who have no fixed location for their businesses can claim a home office deduction if they use the space for administrative or management activities, even if they don't meet clients there.¹

Tax credits due to COVID-19

After the COVID-19 pandemic hit...the U.S. government announced a number of measures to help small and mid-sized businesses ride out the downturn.³

If you are a small business owner, educate yourself on the many credits, deductions and deferrals available to reduce your tax liability now.

Make estimated tax payments

According to IRS rules, you must pay 100% of last year's tax liability or 90% of this year's tax or you will owe an underpayment penalty.

If your adjusted gross income for 2019 was more than \$150,000, you have to pay more than 110% of your 2019 tax liability to be protected from a tax year 2020 underpayment penalty.

If you make an estimated payment by January 15, you can erase any penalty for the fourth quarter, but you still will owe a penalty for earlier quarters if you did not send in any estimated payments back then.

But, if your income windfall arrived after August 31, 2020, you can file Form 2210: Underpayment of Estimated Tax to annualize your estimated tax liability, and possibly reduce any extra charges.¹

Itemize your tax deductions

With the change in the standard deduction, fewer taxpayers itemize



deductions. However, you may have unusual deductions for 2020 that may make itemizing your deductions sensible.¹

Get organized and file on time

A sure way to lower your tax obligation is to not pay more than required. Start now to get your paperwork organized and to learn about changes in the law that may now apply to you.¹

Decide if you need assistance

Understanding tax law, especially when it has changed recently, can be confusing and time consuming. If you suspect you need assistance, get ready and make that appointment early. ♦

¹<https://turbotax.intuit.com/tax-tips/tax-planning-and-checklists/tax-tips-after-january-1st/L8FY6OyFI>

²<https://www.creditkarma.com/tax/i/hsa-contribution-deadline>

³<https://www.eastwestbank.com/ReachFurther/en/News/Article/COVID-19-Tax-Relief-How-to-Maximize-Your-2020-Credits>

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YOUR AGENT



In Service to Fellow Knights

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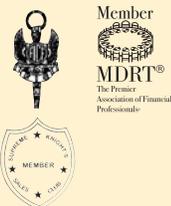
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Family benefits & services

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



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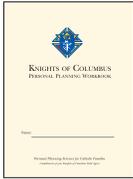
Knights of Columbus Supreme Office

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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.



Just because we're apart doesn't mean we can't meet together.

Contact me today for information on long-term care insurance

Managing your own risk as a small business owner

After the year we have just been through, you may be one of many who find themselves trying to salvage a small business you worked hard to build or, you may one of many who are now self-employed due to a job loss.

There are unique challenges in managing personal finances when self-employed or the owner of a small business.

Managing risk must include you

Not only are you responsible for managing the risks to your business, you need to protect your personal income and ensure you can ride out downturns.

Disability Income (DI) insurance and Long-term Care (LTC) insurance through Knights of Columbus are two ways to minimize your risk of income instability due to illness or injury.

DI insurance works when you cannot

Even if you have saved wisely and run your business prudently, you are likely

a key person in your business. If you become ill or are injured and cannot work, financial pressures are not far behind. What would it cost to replace you? What do you need to provide for your family?

Disability Income insurance provides a benefit that can help you pay the bills when you may be facing months of recovery.

LTC insurance covers your care

At no age is the risk of death greater than the risk of becoming disabled.¹ With a significant disability, you may require professional and custodial care that your family simply cannot provide.

A Comprehensive LTC policy through Knights of Columbus will provide a benefit for the professional and custodial care you may need, including home care when you are able to be home. You may also benefit from rehabilitation and home modification options included in your coverage.



You do not have to work without a net

Knights of Columbus Insurance can be a partner in your personal financial plan. There are few ways to spend your money that provide a greater potential benefit and peace of mind for you and your family than DI and LTC insurance for the possibility of you being disabled by illness or injury, short- or long-term.

Contact me today to learn more and discuss your options to add Disability Income insurance and Long-term Care insurance to your financial plan. ♦

¹https://www.affordableinsuranceprotection.com/death_vs_disability