



*Brought to you by Henry Rangel, FICF, LUTCF*

# KNIGHTS OF COLUMBUS Financial Beacon

Fall 2019



## **In this issue:**

- ◆ **137<sup>th</sup> Supreme Convention**
- ◆ **Insure your income with Disability Income Insurance**
- ◆ **Year-end tax planning may save money**
- ◆ **It's not if, it's when: affordable life insurance for a lifetime**



## A MESSAGE from your agent

### **Dear Brother Knight:**

Supreme Knight Carl Anderson spoke to fellow members of the Knights of Columbus at the Order's 137<sup>th</sup> Supreme Convention. In his speech during the business session, Supreme Knight Anderson highlighted the achievements from the past fraternal year and announced new initiatives for the Order.

- Honoring Native American and First Nation communities;
- U.S./Mexico border refugee support;
- Building a Culture of Life;
- Knights donate \$2.7 Million in disaster relief;
- Expanded Faith in Action program;
- Knights respond to crisis in church with the heart of a priest, St. John Vianney;
- Knights release important video to help families protect children;
- Defense of religious liberty;
- Support for persecuted Christians in the Middle East;
- Our international reach;

The theme of his speech was Knights Of Unity. Through our unity, we will continue to rise in charity and fraternity. And as we extend the hand of brotherhood, we will continue to transform the world around us—a world that needs more, not less, of the truth and witness that define all those who call themselves Knights of Columbus.

For the full text of these remarks, visit [www.kofc.org](http://www.kofc.org).

Fraternally yours,

**Henry Rangel**

# Insure your income with Disability Income Insurance

According to a recent article, “worrying is one of the most futile or purposeless things that people can do.”<sup>1</sup>

Living without an income, whether due to injury or a prolonged illness, is stressful for the whole family. Living without a plan for this situation can be stressful, too. Worrying, rather than planning, keeps worry on your mind and keeps your mind from more productive things.

### **Illness more likely than injury**

If you think the nature of your job makes it unlikely you will ever need disability income protection, consider that long-term absence from work is far more likely due to illness than from injury.<sup>2</sup>

**Worker's Compensation.** Worker's Compensation coverage only applies to injury on-the-job, and this stipulation may apply to any additional coverage you may have through your employer. **Social Security Disability Insurance (SSDI).** SSDI does provide disability income to the long-term disabled, and over eight million U.S. citizens rely on it.<sup>3</sup> But, it typically takes as much as 18 months to navigate the application and appeal process.<sup>2</sup> (You are unlikely to collect a claim under SSDI, since 63% of disability claims are denied.<sup>4</sup>)

### **Insurance is action you can take**

One of the surest ways to prepare for the unexpected is to insure the possible loss. This applies to loss of income, just as it does to loss of property or life.

### **Disability Income Insurance**

Disability Income Insurance helps protect your most important financial asset—your paycheck—so it should be an important part of every family's planning.

U.S. workers have a 25% chance of disability during their working lifetime, yet an estimated 51 million have no private disability income insurance.<sup>2</sup>



Knights of Columbus Disability Income Insurance policies provide for Total, Partial, or Presumptive disability income benefits, which help protect against special circumstances. They also provide a Waiver of Premium provision, which waives your policy's premiums while you're suffering from a disability.

There are limits to coverage; you will need to rely on savings or other assets to cover gaps. But, you can also manage the cost and benefit of your coverage.

**Elimination Period.** Disability Income Insurance policies come with an Elimination Period, which serves as your deductible or out-of-pocket amount. You can select a 30, 90, or 180-day Elimination Period, after which time your benefits will begin to be paid.

**Benefit Period.** The Benefit Period is the period for which monthly disability benefits are payable for any one period of a disability. The benefit resets once the disability concludes. You can protect your paycheck with a Benefit Period of 2-years, 5-years or To Age 67.

**Riders.** Riders are available on Knights of Columbus Disability Income Insurance products. Among them:

- **Catastrophic Disability.** Provides an additional monthly benefit in the event of a catastrophic disability;
- **Cost of Living Adjustment.** Helps your monthly benefit keep pace with inflation during a long-term disability.

Contact me today to structure your disability income insurance coverage. ♦

<sup>1</sup><https://www.psychologytoday.com/us/blog/trauma-and-hope/201901/worrying-waste-time-and-energy>

<sup>2</sup><https://disabilitycanhappen.org/disability-statistics/>

<sup>3</sup><https://www.ssa.gov/oact/STATS/dibStat.html>

<sup>4</sup>[https://www.ssa.gov/policy/docs/statcomps/di\\_asr/2017/sect04.pdf](https://www.ssa.gov/policy/docs/statcomps/di_asr/2017/sect04.pdf)

# Year-end tax planning may save money

While the 2019 tax law saw few changes compared to 2018, awareness of the current law helps you plan for the lowest possible tax burden for your family. If you are not absolutely sure where you stand, consult with a professional before filing.

Following is an overview of the most common ways Americans lower their tax bill.

## Mortgage interest tax deduction

The mortgage interest deduction allows homeowners to deduct interest on up to \$750,000 of mortgage debt, with higher grandfathered deductions on up to \$1 million in debt applying to those who had such mortgages outstanding before the beginning of 2018. Certain home equity loans used to purchase, build, or improve your home also qualify for the interest deduction.<sup>1</sup>

## Standard deductions

The standard deduction increased dramatically in 2018, simplifying the filing of Federal tax returns for millions by eliminating the need to itemize deductions.

The change to the standard deduction for 2019 adjusts for inflation, and the amount of your deduction depends on your filing status.

## Tax rate on capital gains

Many factors apply in determining the tax on capital gains, and depends on your specific situation. To take advantage of the lower rates, try to meet the requirements for qualified dividend income because nonqualified dividend income is taxed at the higher ordinary income tax rate.<sup>1</sup>

**Short-term capital gains** are gains realized on the sale of investments held for less than a year. These gains are generally taxed as ordinary income.

**Long-term capital gains** are gains realized on the sale of investments held for more than a year. These gains are generally taxed at the lower capital gains rate.

## Retirement tax planning

401K contribution limits as well as traditional IRA and Roth IRA contribution limits for 2019 are \$500 higher than 2018's levels. Different limits apply to each type.

## Using other tax-favored accounts

**529 plans** let you set aside money toward educational costs in accounts that generate tax-free income. As long as you use the money for qualifying expenses, then you'll never pay tax on the money. These accounts offer a substantial amount of flexibility with no income-based restrictions on their use.<sup>1</sup>



**Health savings accounts** are available to those who have high-deductible health insurance coverage and who want to set money aside to cover healthcare costs. Pre-tax contribution amounts of up to \$3,500 for individuals/\$7,000 for families, as well as catch-up contributions of an additional \$1,000 if you're 55 or older, are allowed if your qualifying plan meets requirements.

## Estate taxes

The federal gift and estate tax lifetime exclusion amount that is exempt from estate tax will rise to \$11.4 million in 2019, up from \$11.18 million in 2018. The gift tax limit remains at \$15,000 for 2019.

## Plan now, benefit later

If you wish to consult a professional to determine your options in tax planning, begin now. While some options allow you to act as late as the filing date, others are based strictly on the calendar year. ♦

<sup>1</sup><https://www.fool.com/taxes/ultimate-2019-tax-planning-guide.aspx>

*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

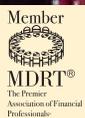


## Henry Rangel, FICF, LUTCF

 15311 Vantage Parkway W  
Suite 195  
Houston TX 77032

 **PHONE:** (281) 731-8635  
**FAX:** (281) 931-9101

 **EMAIL:** [henry.rangel@kofc.org](mailto:henry.rangel@kofc.org)  
**WEB:** [www.kofcrangelagency.com](http://www.kofcrangelagency.com)



## 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**

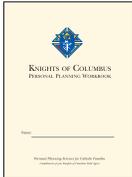


## KNIGHTS OF COLUMBUS Financial Beacon

Knights of Columbus Supreme Office

**Henry Rangel, FICF, LUTCF**

15311 Vantage Parkway W  
Suite 195  
Houston, TX 77032

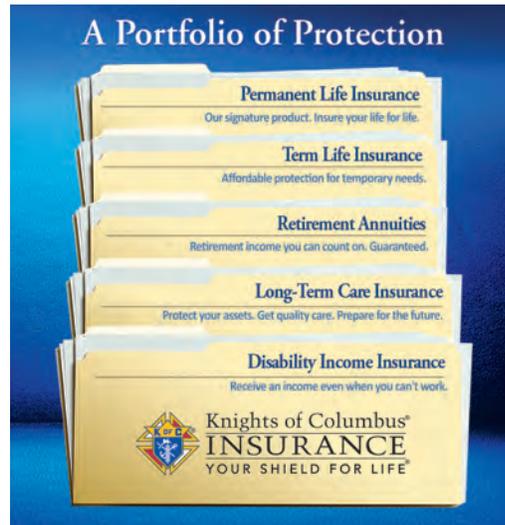


### The document your family will be glad you left behind

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

## It isn't if, it's when: affordable life insurance for a lifetime



Imagine the unthinkable...you die young. You have left your family to carry on without you. Are they covered, because you were covered?

### If you think you cannot afford it...

If you think you cannot afford life insurance, ask yourself if you can afford to be without it.

Knights of Columbus term life insurance may be an ideal solution for protecting your young family on a tight budget; it is designed to provide you with a maximum amount of coverage at affordable and competitive rates.

### More than a few things to consider

Once you stop to think about it, what would your family be dealing with if you suddenly were not there? The appropriate amount of life insurance coverage could make all the difference. You should account for things such as:

- Remaining payments on your mortgage;
- Supplementing or replacing your income;
- Providing funds for your children's college education;
- Enabling your loved ones to pay off your personal debt.

### Term insurance is convertible to perm

Knights of Columbus term insurance is convertible. Depending on how we customize your term insurance policy, you can convert some or all of your insurance to permanent coverage at a later date, without providing further proof of insurability.

### Accelerator Term Insurance series

Our Accelerator Term Insurance series includes a unique opportunity to increase your coverage amount by 25%, to keep up with inflation and salary increases, for an extremely low cost. In this series, you have the choice of a 10-, 15- or 20-year term.

**Annual Renewable Term** allows you to review and renew your coverage annually, with adjusted premiums and a level death benefit.

**Young Adult Insurance** is a special product for Knights and their spouses ages 18-29 to help them start their insurance protection.

### Beneficiary Options

You decide who you want your death benefit to go to: a spouse, children, family, a trust, or even charity. You can have more than one beneficiary, and can divide up the proceeds proportionally.

Contact me today to customize your policy.