



National Life  
Group®

# A Legacy of Servant Leadership

LIFE INSURANCE AND RETIREMENT SOLUTIONS FOR YOUR  
403(b) (9) CHURCH PLAN

Products issued by:

**Life Insurance Company of the Southwest**

National Life Group® is a trade name of National Life Insurance Company, founded in Montpelier, VT in 1848, Life Insurance Company of the Southwest, Addison, TX, chartered in 1955, and their affiliates. Each company of National Life Group is solely responsible for its own financial condition and contractual obligations. Life Insurance Company of the Southwest is not an authorized insurer in New York and does not conduct insurance business in New York.

No bank or credit union guarantee | Not a deposit | Not FDIC/NCUA insured | May lose value | Not insured by any federal or state government agency

Guarantees are dependent upon the claims-paying ability of the issuing company.

**This marketing is not approved for use in New York.**

# Do Good Living Our Values

Our mission is Keeping Our Promises.

Our vision is to Bring Peace of Mind to Everyone We Touch.

Our values are to Do Good. Be Good. Make Good.

Our mission, vision and values are at the heart of how we do business, the products we offer and how we serve our employees and communities. We strive to make the world a better place every day.

Life Insurance Company of the Southwest, a member of National Life Group, was established in 1955 and has been serving the retirement marketplace for nearly six decades. Throughout our 170+ -year history, we have brought peace of mind to families by keeping our promises in good times and in bad.

National Life Group Foundation provides grants to non-profit organizations dedicated to hunger relief, homelessness, mental health, domestic violence victim support, and economic recovery.

National Life Group matches donations made to employee supported non-profit organizations across the country.



We are a proud founding partner of the National Coalition for Safe Schools (NCSS).



LifeChanger of the Year recognizes outstanding teachers and school district employees who exemplify excellence, positive influence and leadership in their schools and with students every day.

# Be Good Now and in Retirement

## 403(b)(9) Church Plans

You start with a bigger purpose that reflects your values and perspective. Your vendors support your position based on their development and delivery of Faith-Based Retirement Planning tools, information and support.

### What is a 403(b)(9)?

403(b)(9) Plans, or “Church Retirement Plans,” are non-ERISA defined benefit retirement plans specifically designed to meet the needs of faith-based organizations, or those with 501(c)(3) church status. 403(b)(9) is unique in that it takes into consideration the long-term needs of the organization's leadership and offers the additional ability for retired ministers to take retirement distributions designated as a tax-free housing allowance within legal limits. All church employees are eligible to participate 403(b)(9) plans, however, the employer

- has flexibility in deciding to which employees they will offer the plan and
- may also opt to make matching, non-matching or discretionary contributions.

Optional employer contributions are neither subject to Social Security tax nor income tax at the time of contribution. Participant earnings on all contributions, including rollovers, are tax deferred.

### Is there a difference between a 403(b) and a 403(b)(9)?

403(b)(9) is a defined contribution plan specifically designated for the unique needs of religious organizations and the only defined contribution plan that includes the unique provision offering retired ministers the ability to take retirement distributions designated as housing allowance. A 403(b) does not include this provision. If money is rolled out of a 403(b)(9) and into an IRA or any other type of retirement account, the housing expense tax exemption is forfeited.

### What Are the Benefits of a Church Retirement Plan?

**Participation Flexibility** — The employer has the flexibility to decide whether to make the plan universally available or to choose which employees may participate in the plan. As an example, an employer may impose age and/or service requirements before an employee can participate in the plan.

**Housing Allowance** — Allows ordained, licensed, or commissioned ministers to take non-taxable, ministerial housing allowance distributions in retirement from their 403(b)(9) plans. Ministers contribute to their plan tax free and receive distributions in retirement tax free.

**Pre-SECA Tax** — All monies contributed by the participant with a ministerial status are not subject to Social Security tax or income tax. They are made pre-SECA tax — a 15.3% tax savings.

**Time and Cost** — 403(b)(9) plans are less expensive to administer. These plans DO NOT fall under ERISA regulations, which require tax-deferred accounts undergo periodic reviews known as discrimination testing. This saves the cost of an audit, form preparation and testing requirements.

Examples of ministerial housing allowance expenses that can be excluded from income

- Mortgage payments (principal and interest)
- Rent payments (if you rent instead of own)
- Real estate taxes
- Property insurance
- Utilities (gas, electric, water, sewer, trash pick-up, local phone service)
- Appliances and furniture (purchases/rental costs and repair)
- Remodeling expenses
- Homeowners Association dues
- Pest control

Remember, there are limitations on the total dollar amount of expenses excluded.

### When can I start withdrawing funds to cover housing expenses without paying a penalty or income taxes?

- Withdrawals from retirement accounts are allowed penalty-free once you have reached age 59½. If you are age 59½ or older, funds you withdraw from your EPC 403(b)(9) retirement account that are used for allowable housing related expenses will be excluded from your income in that year and therefore not subject to federal income tax. (This assumes you are not still living in church-provided housing and/or being reimbursed for your housing expenses.)

# Annuity products to help your employees achieve their retirement dreams.

An annuity allows your employees to grow their retirement savings on a tax-deferred basis. When they are ready for retirement, employees can convert their annuity into a stream of income that can then be paid over a fixed period or for their lifetime using a Guaranteed Lifetime Income Rider (GLIR).<sup>1</sup> Annuities also allow participants to take withdrawals of varying amounts when they need the income.<sup>2</sup>

Annuities are available as traditional fixed and fixed indexed options.

## Traditional Fixed Annuities

A traditional fixed annuity is an insurance contract that allows a person to save money on a tax-deferred basis<sup>3</sup> either through a series of flexible premium payments or a single premium payment.

Cash value accumulates at a fixed rate of interest set by the company, and will have a guaranteed minimum interest rate.

## Fixed Indexed Annuities

A fixed indexed annuity calculates interest by crediting interest based in-part on the change of an underlying index like the S&P 500<sup>®</sup>, without actual participation in the stock market.

Our Fixed Indexed Annuities can provide:

- Tax deferral
- Potential for higher interest crediting than traditional fixed annuities
- Earned principal and interest unaffected by downturns in the underlying index<sup>4</sup>
- Lifetime income through the Guaranteed Lifetime Income Rider (GLIR)<sup>5</sup>
- Death benefit protection<sup>6</sup>



## Guaranteed Lifetime Income Rider

The Guaranteed Lifetime Income Rider is a feature that comes on our fixed indexed annuities, in most cases for an annual fee. The Guaranteed Lifetime Income Rider can provide the annuitant with a Guaranteed Withdrawal Payment from his or her annuity that will last a lifetime... it's income that cannot be outlived!



## The Power of Tax Deferral

Annuities receive a tax benefit in the form of tax deferral on earnings. This means that the money you save today won't be taxed until you decide to start taking income in retirement and can help further build your retirement savings.

# Life Insurance products to protect your employees and the ones they love.

Life insurance is a promise between an insurance company and your employees, the policy owners. If they pay a certain amount of money (premium) to the insurance company, the insurance company will pay a certain amount of money (death benefit) to the person (beneficiary) of their choosing when the person whose life is being insured dies.

## What type of life insurance is best?

It really depends on the needs and comfort level of the insured, which is why we offer both term and permanent life insurance options. Policies can also offer guaranteed premium, guaranteed cash value accumulation, or credited interest based in part on changes in a market index.

### Term Life

Term Life Insurance is a policy that pays a benefit in the event of the death of the insured during a specified term. This type of insurance makes the most sense for those who have a temporary protection need, who have budget limitations, or who have large protection needs.

### Whole Life

Whole Life Insurance is a policy that provides a benefit on the death of the insured and also accumulates a cash value. These policies are designed for individuals who want guarantees and who are focused on providing death benefit protection over cash value accumulation.

### Indexed Universal Life (IUL)

IUL policies are life insurance policies that pay a death benefit but also allow the policy owner to allocate cash amounts to either an account paying a fixed interest rate, or to one or several index strategies that credit interest based in part on the change in a market index. This type of policy makes the most sense for those who need death benefit protection but are focused on cash value accumulation that can be accessed, if sufficiently funded, through policy loans and withdrawals.<sup>7</sup> This could be used for any reason, such as to supplement retirement income.



## Life Insurance You Don't Have to Die to Use

A hallmark of our life products are their living benefits, including terminal, chronic, and critical illness riders, and a critical injury rider. Often referred to as “life insurance you do not have to die to use,” our combination of life insurance products and comprehensive riders can help provide financial security to individuals and their families.

Accelerated Benefit Riders (ABRs) are optional, no additional cost features that allow you to access all or part of your death benefit during a qualifying terminal, chronic, or critical illness or a critical injury.

Depending on where you live, you can use the benefit for any expenses, including but not limited to nursing home care, household bills, living expenses, and home modifications. There are no restrictions on benefit usages with the exception that in the state of Massachusetts, Accelerated Benefit Riders for chronic illness can only be used to pay for expenses incurred for Qualified Long-Term Care services, which are defined as necessary diagnostic, preventative, therapeutic, curing, treating, mitigating and rehabilitative services, and maintenance or personal care services that are required by a chronically ill individual and are provided pursuant to a plan of care prescribed by a licensed health care practitioner.

Accelerated Benefit Riders are optional, may be subject to underwriting, exclusions and/or limitations and may not be available in all states. Receipt of accelerated benefits reduces the Death Benefit and cash value (if any) otherwise payable under the policy, may be a taxable event and may affect your eligibility for public assistance programs, such as medical assistance (Medicaid), Aid to Families with Dependent Children, and Supplemental Security Income. Please consult your personal tax advisor to determine the tax status of any benefits paid under this rider and with social service agencies concerning how receipt of such a payment will affect you, your spouse and your family's eligibility for public assistance. This rider is intended for favorable tax treatment under Section 101(g) of the Internal Revenue Code (26 U.S.C. Sec. 101(g)). Whether such benefits qualify depends on factors such as your life expectancy at the time benefits are accelerated or how the benefits are used. The actual payment you receive will be less than the portion of the death benefit accelerated because the benefits are paid prior to death. Values are based on a current interest rate and mortality rates. There is an initial administrative fee at the time the rider is exercised. We currently limit the amount of death benefit that may be accelerated under all contracts made over the entire lifetime of the insured to \$1,500,000 for terminal or chronic illness, and \$1,000,000 for critical illness or injury. We reserve the right to change this limit in the future; however the limit will never be less than \$500,000. Please refer to your policy for specific details about the rider.

Our Terminal Illness riders allow for the payment of a portion of an insured's death benefit, on a discounted basis, if the insured has an illness or chronic condition which can reasonably be expected to result in death in 24 months or less. There is no additional premium for this rider.

Our Chronic Illness and Covered Chronic Illness riders allow for the payment of a portion of an insured's death benefit, on a discounted basis, if the insured is Chronically Ill. A chronic illness is defined as one that leaves you unable to perform, without substantial assistance, two of the six normal activities of daily living for a period of at least 90 days due to a loss of functional capacity or requires substantial supervision for a period of 90 days to protect oneself from threats to health and safety due to severe cognitive impairment. The six activities of daily living include bathing, continence, dressing, eating, toileting, and transferring. There is no additional premium for this rider.

Our Critical Illness or Critical Injury Riders allow for the payment of a portion of an insured's death benefit, on a discounted basis, if the insured is Critically Ill or Critically Injured. Covered critical illnesses are ALS (Lou Gehrig's disease), Aorta Graft Surgery, Aplastic Anemia, Blindness, Cancer, Cystic Fibrosis, End-Stage Renal Failure, Heart Attack, Heart Valve Replacement, Major Organ Transplant, Motor Neuron Disease, Stroke, Sudden Cardiac Arrest. Covered Critical Injury illnesses are Coma, Paralysis, Severe Burns, Traumatic Brain Injury. Covered critical illnesses and covered critical injuries may vary by state. There is no additional premium for this rider.

### **Accelerated Benefits Riders (ABR) vs. Long-Term Care (LTC) Insurance**

California requires advertising for ABRs to provide a comparison to the benefits provided by LTC insurance. However, Accelerated Benefits provided by the ABR riders are not long-term care insurance, and are not intended to be the same as, or an alternative to, long-term care insurance.

**This is a life insurance benefit that also gives you the option to accelerate some or all of the death benefit in the event that you meet the criteria for a qualifying event described in the policy. This policy or certificate does not provide long-term care insurance subject to California long-term care insurance law. This policy or certificate is not a California Partnership for Long-Term Care program policy. This policy or certificate is not a Medicare supplement (policy or certificate).**

ABR Riders are supplemental benefits that can be added to a life insurance policy and are not suitable unless you also have a need for life insurance. Receipt of benefits may reduce or eliminate the availability of other policy riders and benefits. Benefits available are calculated at time of claim based on the age of the policy and our expectation of your future mortality.

The amount of Accelerated Benefit available will depend on your life policy's death benefit value when ABR benefits are claimed. For policies in good standing, if ABR benefits are not used, policy death benefits and other rider benefits are still available. Long-term care (LTC) insurance is not life insurance, and as such, has no death benefit or cash value. LTC insurance benefits are specified at the time of the contract. LTC benefits are paid as a form of expense reimbursement for qualified long-term care expenses. By comparison, since there is no restriction placed on the use of ABR benefits, they are paid once qualifications are met, and do not require you to provide receipt of specific expenses to qualify for the benefit. LTC premiums vary based on the level and length of benefit chosen by the policyholder. Premiums are paid on a recurring basis, and failure to pay premiums will generally lapse the policy. If LTC benefits are not claimed, they are typically forfeited. LTC insurance policies may offer non-forfeiture benefits for additional premium.

**This is a solicitation of insurance. An insurance agent may contact you.**



## Lifetime Income Benefit Rider (LIBR)

Life insurance helps to financially protect your family or business from the risk of dying too soon. But what if you live too long? The lifetime income benefit rider (LIBR) is a rider on select life insurance policies. Activating this rider on a properly funded insurance policy has the potential to provide a guaranteed source of income for life.<sup>8</sup>

## Delighting You with Unparalleled Service

When you work with National Life Group, you can expect a network of support from some of the most experienced professionals in the industry.

We partner with you to meet your goals by:

- Dedicating a single point of contact to help ensure your life and retirement needs are met
- Partnering with some of the best third-party administrators across the country
- Thoroughly vetting our retirement plan-certified independent financial professionals to ensure knowledge and skills are top notch
- Conducting financial literacy seminars, workshops, and individual meetings about saving for retirement

For your employees, our customer website and mobile app enable them to:

- View policy values and other benefits
- Make premium and loan payments
- Manage personal information
- Sign up for account alerts
- Access convenient self-service features
- Download statements and 1099s

### Financial Strength Ratings

National Life Insurance Company and Life Insurance Company of the Southwest as of 8/18/2022.

Ratings are subject to change



### What makes National Life Group better?

Our products, services and long history of supporting retirement plans.



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- 1 The Guaranteed Lifetime Income Rider (GLIR), as represented in form series 7983, 7984, 7985, 7986, 8969, 8970, 20365, 20135, 20136, and/or 20380, is a rider that can be added to an annuity policy at issue and is available on fixed and fixed indexed annuities issued by Life Insurance Company of the Southwest. Electing this rider incurs an additional cost and rider charges continue to be deducted regardless of whether interest is credited. GLIR may be optional, and may not be available on all products or in all states. Guarantees are dependent on the claims paying ability of the issuing Company. Indexed annuities have surrender charges that are assessed during the early years of the contract if the annuity is surrendered. Indexed annuities do not directly participate in any stock or equity investments. This is not a solicitation of any specific annuity product.
  - 2 Withdrawals from an annuity within a retirement plan may be subject to plan restrictions. Withdrawals prior to age 59 ½ may be subject to a 10% Federal Tax Penalty.
  - 3 Buying an annuity within a tax-deferred retirement plan doesn't offer extra tax benefits. If considering an annuity within a retirement plan, base your purchase decision on the annuity's other features and benefits, as well as its risks and costs, not its tax benefits.
  - 4 Assuming no withdrawals during the withdrawal charge period. Rider charges continue to be deducted regardless of whether interest is credited.
  - 5 Electing this rider incurs an additional cost. Guaranteed Withdrawal Payments are taxed as ordinary income, and reduce the policy's accumulated value, but you will continue to receive these payments during your lifetime even if your accumulation value declines to zero.
  - 6 Beneficiaries receive the accumulated value at the death of the annuitant. Some riders may be available to enhance the death benefit.
  - 7 The ability of a life insurance contract to accumulate sufficient cash value to help meet accumulation goals will be dependent upon the amount of extra premium paid into the policy, and the performance of the policy, and is not guaranteed. Policy loans and withdrawals reduce the policy's cash value and death benefit and may result in a taxable event. Withdrawals up to the basis paid into the contract and loans thereafter will not create an immediate taxable event, but substantial tax ramifications could result upon contract lapse or surrender. Surrender charges may reduce the policy's cash value in early years.
  - 8 The Lifetime Income Benefit Rider is optional, may not be available in all states, and is only available on indexed universal life insurance policies issued by Life Insurance Company of the Southwest (LSW). Riders are supplemental benefits that can be added to a life insurance policy and are not suitable unless you also have a need for life insurance. This rider provides a benefit for the life of the insured if certain conditions are met, including but not limited to the insured's attained age being between age 60 and 85, and that the policy has been in force at least 10 years. Insufficient policy values, outstanding policy loans and other considerations may also restrict exercising the rider. Receipt of income benefits will reduce the policy's cash value and death benefit and may terminate other riders or reduce their benefits. There is a monthly charge from the accumulated value during the income payment period.
  - 9 LIMRA US Individual Annuity Industry Sales Report, 1Q2022
  - 10 Insurance News Net, FIAs at Age 20, 2015.

The life insurance riders described in this marketing are available on several other life insurance policies all of which are underwritten by Life Insurance Company of the Southwest, Addison, Texas. Lifetime Income Benefit Rider, form series 20266(0614), and Accelerated Benefits Riders, form series 8052(0798) / 8095(0399) / 8165(0703) / 8766(0609) / ICC10-8844(0310) / 20287(1014) / ICC15-20287(0115) / 20288(1014) / ICC15-20288(0115).

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