



# Leave a Legacy with Confidence

Survivorship Whole Life Insurance  
from Massachusetts Mutual Life Insurance Company (MassMutual®)





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The decision to purchase life insurance should be based on long-term financial goals and the need for a death benefit. Life insurance is not an appropriate vehicle for short-term savings or short-term investment strategies. While the policy allows for loans, you should know that there may be little to no cash value available for loans in the policy's early years.

The information provided is not written or intended as specific tax or legal advice. MassMutual, its subsidiaries, employees and representatives are not authorized to give tax or legal advice. Individuals are encouraged to seek advice from their own tax or legal counsel. Individuals involved in the estate planning process should work with an estate planning team, including their own personal legal or tax counsel.

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**A MassMutual Survivorship Whole Life Insurance policy may help you address both your wealth transfer and retirement income goals.**

## Competing Financial Goals

Many successful people spend a lifetime accumulating assets and building wealth. At some point, they turn their attention to:

- Living the retirement they planned for.
- Leaving a financial legacy to the people they love and the causes they care about.

However, balancing the two can be a challenge. They want to enjoy a secure retirement without worrying about preserving assets for their children or grandchildren. A MassMutual Survivorship Whole Life Insurance policy may help manage these competing goals.



# Your Legacy for the Future

If leaving a financial legacy is important to you, there are steps you can take to help ensure that what you leave behind will pass to your loved ones in an orderly and efficient manner. A sound wealth transfer strategy should focus on two important goal:

- 1 | Distributing your assets according to your wishes.
- 2 | Minimizing the expenses, reduction in value, and delays in settling your estate.

It is also important to consider the types of assets you will leave and how they will impact your wealth transfer goals. For example:

- The value of assets, such as real estate and securities, varies based on market conditions.
- Annuities, retirement accounts and other financial assets may have deferred taxable earnings and will pass to heirs with an income tax liability that reduces their value.
- Business interests, real estate or personal property may not be easily divided among family members.

## Estate Planning with Life Insurance

Life insurance offers significant advantages that make it an effective way to transfer wealth to your family. These include:

**Financial Leverage** – Whole life insurance can provide a significant death benefit in relation to the premiums paid.

**Tax Efficiency** – The death proceeds will be paid income tax free to your beneficiaries.

**Liquidity** – The death benefit can provide cash to pay taxes and other expenses that may be due at death.

**Predictable Value** – Your policy's death benefit will never decrease based on changes in the financial markets.

**Easily Divided** – The proceeds are paid to your beneficiaries based on your wishes, which may help you make equitable bequests to family members. This can be important if you own assets, such as a business, vacation home or family heirlooms, that you want to leave to specific family members.

**Not a Probate Asset** – The policy's death benefit paid directly to your beneficiaries avoids the expenses and delays of probate and will not be part of any public record.

# Retire with Confidence

Many couples entering retirement today are concerned about spending more than expected during retirement. They might simply live longer than they thought they would, or incur substantial medical or long term care expenses. As a result, they may not be able to leave a financial legacy for their family.

Consider the following example:

- A couple has accumulated \$3 million in retirement savings and other assets.
- They expect to need \$2 million to live comfortably in retirement and want to leave \$1 million to their children.
- However, if things do not go as planned, they may need to spend the assets that they have earmarked for their family.

Alternatively, this couple could use a portion of their savings to purchase a Survivorship Whole Life Insurance policy. The policy could guarantee that a \$1 million income tax-free death benefit will be paid to their children after they both have died. This may free up additional funds that they could spend in retirement.

In addition, their policy would accumulate guaranteed cash value, which they could access later in retirement if their other assets have been depleted.<sup>1</sup>

<sup>1</sup> Distributions under the policy (including cash dividends and partial/full surrenders) are not subject to taxation up to the amount paid into the policy (cost basis). If the policy is a Modified Endowment Contract (MEC), policy loans and/or distributions are taxable to the extent of gain and are subject to a 10% tax penalty if the policyowner is under age 59½. Reducing your death benefit, as well as certain surrenders or distributions, may cause the policy to become a MEC because survivorship policies are subject to a special MEC reduction rule.

Access to cash values through borrowing or partial surrenders will reduce the policy's cash value and death benefit, increase the chance the policy will lapse, and may result in a tax liability if the policy terminates before the death of the insured.

# Additional Benefits of Survivorship Whole Life Insurance

Survivorship Whole Life Insurance provides a guaranteed death benefit and cash value. They also offers:

## **Lower Premiums Than Single Life Coverage –**

Second-to-die life insurance generally offers lower premiums than a policy insuring one person for the same amount.

**Dividends** – Survivorship Whole Life Insurance policies are participating and eligible to earn annual dividends. You may use any dividends you receive to pay some or all of your out-of-pocket premiums or to increase both your cash value and life insurance protection. Although policy dividends are not guaranteed, MassMutual has paid them consistently since the 1860s.

## **Cash Value Not Subject to Market Conditions –**

The policy cash value will never decline due to market conditions and may offer an alternate source of funds during market downturns.<sup>1</sup>

**Tax Advantages** – In addition to paying an income tax-free death benefit, the policy's cash value accumulates tax deferred, and you may be able to access it on a tax-advantaged basis.<sup>1</sup>

**Creditor Protection** – In many states, personally owned life insurance cash values are fully or partially exempt from the claims of creditors. You should consult with your legal counsel to determine whether the laws in your state exempt personal and/or business assets from the claims of creditors.

Overall, a Survivorship Whole Life Insurance policy can be an attractive retirement accumulation and legacy planning product.

## Other Uses for Survivorship Whole Life Insurance Policies

**Estate Tax Planning** – They can be used to help pay estate taxes. Ownership of the policy can be structured so that the death proceeds will not be subject to estate taxes.

**Charitable Giving** – They may help you leave a substantial contribution to a charitable organization you support.

**Special Needs Planning** – Parents or caregivers of someone with a disability or other special need can use the policy's death benefit to help ensure that expenses related to the care of the person will continue to be paid after they are gone. Proceeds can be structured in a way that helps maintain eligibility for government programs. You should consult with your attorney and/or tax advisor.



# Guarantee Your Legacy, Help Secure Your Retirement

Overall, a Survivorship Whole Life Insurance policy may help you live a more secure and comfortable retirement by:

- Providing a guaranteed death benefit for your family, which may allow you to spend more of your other assets during retirement.
- Allowing you to accumulate additional cash value, which can be used as a source of supplemental retirement income.<sup>1</sup>

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Ask your financial professional for a Survivorship Whole Life Insurance illustration based on your specific situation.

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Since 1851, our business decisions have been guided by our customers' needs. Today, we offer a wide range of financial products and services to help people secure their future and protect the ones they love.

Any guarantees explicitly referenced herein are based on the claims-paying abilities of the issuing insurance company. Survivorship Whole Life Legacy Insurance (Policy Forms: SWL-2015, ICC15SWL and ICC15SWL in North Carolina, SWL-NY-2019 and SWL-FL-2015 (Rev 2021), is issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001.

