Collateral Assignment Switch Dollar Plan

A selective employee benefit plan funded with whole life insurance

Prepared For
Valued Client

Presented By:

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MassMutual's supplemental illustrations and presentations provide a conceptual, hypothetical example of planning approaches that incorporate life insurance. In actual practice, the transactions discussed may be somewhat complex and therefore may require the attention, review and expertise of professional advisors such as your CPA and your tax or estate planning attorney. The information provided is not 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.

Many of the figures used in the following presentation are based upon both assumptions and data provided by you, including assumed growth rates on your existing assets. A summary of those assumptions can be found at the end of the presentation. Your furnishing of accurate data will help enhance the value of the analysis contained in this presentation.

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.

This supplemental life insurance illustration summary is not valid unless accompanied by or preceded by a MassMutual Whole Life 12 Pay Basic Illustration dated November 07, 2023. **Refer to the Basic Illustration for guaranteed elements and other important information.**

An Incentive to Keep Your Key Employees from Leaving Your Business

If your business is like most, your success depends upon the efforts of your best people. That is why it is essential to hire talented individuals who can help your business prosper and grow. It is just as critical to offer them valuable benefits that keep them from leaving your company. A Corporate Switch Dollar plan is a cost-effective benefit plan that can be offered to a select group of key employees. It is funded with a life insurance policy which provides your key people with valuable life insurance protection and tax-advantaged policy cash values that they can access when the Switch Dollar Plan has terminated.[1]

Switch Dollar is a type of Split Dollar Benefit Plan

In a Switch Dollar Plan, the life insurance policy values are split between the company and the employee during the term of the arrangement. Although the employee owns the policy, the company pays the premium. In return, the company is collaterally assigned the policy cash value, and a portion of the policy death benefit in the amount of the cumulative premiums paid.

Cost of Plan to Employee – Imputed Income

The coverage that the policy provides to the employee is considered non-cash compensation. Therefore, the employee must report imputed income annually. Imputed income is calculated based on the term cost of life insurance coverage each year (referred to as the economic benefit) until the policy cash values equal cumulative premiums paid. The employer is assigned all of the policy cash value until this point. The term cost is based on either Table 2001 term rates published by the Internal Revenue Service, or MassMutual's Non-Convertible Term (NCT) rates.

When the policy cash value equals the cumulative premiums paid, the calculation method for imputed income is "switched" from a term cost calculation to a fair market loan interest cost calculation on cumulative premiums. The applicable federal rate (AFR) published monthly by the government is the minimum rate of interest that can be charged for the loan to be considered a fair market note. The "switch" to a loan is necessary so that the equity in the policy is not income taxed.

Repaying the Loan

When the arrangement ends, often at retirement or when no further premiums are expected to be paid, a distribution from the policy's cash value is taken to repay the loan, at which point the collateral assignment is released. During the loan arrangement, the collateral assignment is filed with the insurance company and the employer's share of the cash value is booked as an asset on the company's balance sheet. If the employee dies prior to repayment of the loan, the loan is repaid from the death benefit. The balance of the death benefit is paid to the employee's named beneficiaries.

Economic Benefit and Loan Interest

As mentioned above, the term cost of the life insurance coverage in a Switch Dollar plan is referred to as the economic benefit and is based on the per $1,000 term cost of the life insurance coverage calculated using a government published rate table (Table 2001) or MassMutual's Nonconvertible Term Rate, if it continues to qualify under the split dollar regulations. The rate increases each year based on the insured's attained age and may become prohibitively expensive at advanced ages. Once the policy is in an equity position (meaning that the policy cash value exceeds the cumulative premiums paid), however, the arrangement should be "switched" to a loan arrangement that takes into account cumulative premiums paid to date. At this point, loan interest is charged on the loan balance. It is typical for the employee to pay only the taxes on the term cost or loan interest (imputed income), depending on pre- or post-switch time period.

Benefits of a Split Dollar Plan:

Depending on the structure of the split dollar plan, the employee can use the policy to help address a number of financial concerns that include:

- Income protection for the key employee's family in the event of premature death. The employee's portion of the death benefit provides additional financial security for the employee's family.
- Supplemental retirement income. The whole life policy can be an effective way for the employee to accumulate additional funds for retirement because it offers stable and consistent tax-deferred growth of cash values and the ability to access the cash values as supplemental income on a tax-advantaged basis after the Switch Dollar plan terminates.[1]
- Funds for estate liquidity. The life insurance can be structured to offer estate liquidity for the employee at a low out-of-pocket cost, freeing up personal cash to be used for other purposes.
- Cost recovery for the company. The company is repaid its outlay and can book the policy cash value as an asset on its balance sheet.

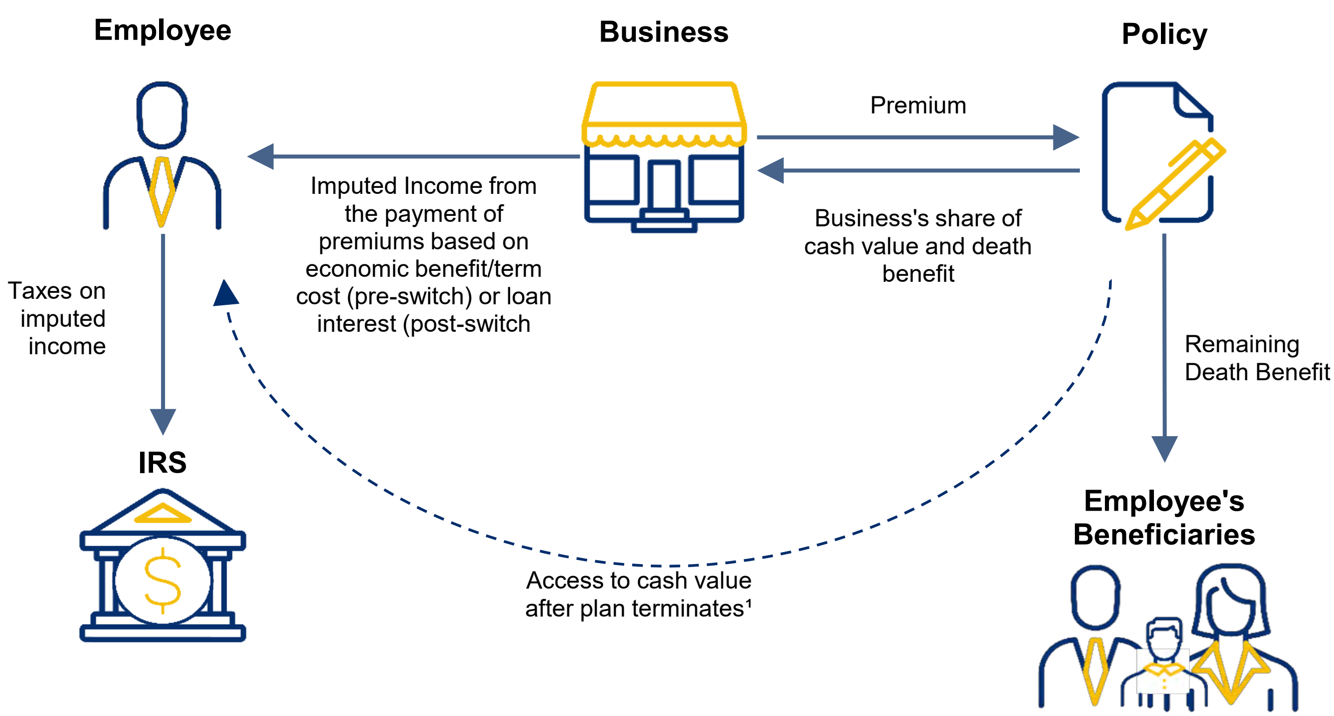
[1]Distributions under the policy (including cash dividends and partial/full surrenders) are not subject to taxation up to the amount paid into the policy (cost basis). If the policy is a Modified Endowment Contract, policy loans and/or distributions are taxable to the extent of gain and are subject to a 10 percent tax penalty if the policyowner is under age 59½.

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.

Collateral Assignment Switch Dollar

How it works before retirement or at separation of service

The following diagram helps to illustrate how the plan is structured while the employee is working.



At retirement or at separation of service

In general, there are two ways to end the split dollar agreement prior to the death of the employee:

1. The employee repays cumulative premium loan to the employer; potentially using the policy cash values; or
2. The employer can forgive the loan as a taxable bonus, which would result in a tax-deduction for the employer.[2]

The employee then has unrestricted ownership of the policy. This is called a "roll-out".

[2] Any promise by the premium payor to forgive any portion of the Split Dollar loan at any time in the future is a form of Deferred Compensation subject to Section 409A of the Internal Revenue Code. Section 409A requires a written plan document and limits the circumstances for triggering the receipt of benefits as well as certain alterations of benefits (for example, a provision allowing the participant to accelerate retirement benefits is generally not allowed). If the requirements of Section 409A are not met, the participant may be subject to less favorable tax treatment including substantial tax penalties. The rules under Section 409A are complex. Clients are encouraged to consult with their independent tax counsel or advisor.

DEFINITION OF COLUMNS

- **After-Tax Outlay Begin Year** – This is the company's annual loan to the employee in the amount of premium. The company uses its after-tax income to make the annual premium loan.
- **Net Cash Value End Year** – The cash value as of the end of the policy year reduced by outstanding loans and loan interest. These values are based on the illustrated dividend schedule and are not guaranteed. The employee owns the life insurance policy, but the company retains the entire policy cash value to secure the loan through the use of a collateral assignment filed with the insurance company. If the policy cash value enters into a gain position- meaning that its value is above the cumulative premiums paid- the gain amount will be taxable to the employee when the split dollar loan is repaid during lifetime and the cash values are no longer used for security.[1] It is for this reason that the plan "switches" to a fair market loan arrangement before it is in a gain (equity) position. By switching to a loan, the equity should not be income taxed. Please seek advice from your own tax and legal counsel regarding your particular situation. The "Switch" does not happen automatically; the employer and employee must physically amend the prior Split Dollar agreement to convert to loan treatment.
- **Net Death Benefit End Year** – The death benefit of the policy as of the end of the policy year reduced by outstanding loans and loan interest. These values are based on the illustrated dividend schedule and are not guaranteed. The employee owns the life insurance policy but secures the loan with the policy's death benefit. This is the share of the policy's death benefit, net of policy loans, allocated to the company, with the balance of the death benefit allocated to the employee. In a corporate split dollar arrangement using economic benefit as a measure of the cost of the loan, the death benefit share to the company is the amount of the cumulative loan in any given year. The economic benefit is the term cost of the death benefit based on either a government published table (Table 2001) or the insurer's term rates, if it qualifies under IRS rules. The employee names beneficiaries of the balance of the death benefit until the loan is repaid either at death or during lifetime from policy values. Once the loan is repaid, the policy death benefit is no longer split with the company.
- **Imputed Income** – Executive's reportable income based on the value of the benefit they receive. Reportable income is calculated differently based on the "switch" year. The "switch" year is the year that the policy cash values equal cumulative premiums paid. Before the "switch" year, the value of the employee's benefit (the portion of the life insurance benefit) is based on the term cost calculated using either MassMutual's Non-convertible Term Rate Table (NCT), or from the Government's Table 2001. Once there is equity in the policy (cash value is above cumulative premiums paid and represents an additional benefit inuring to the employee), the plan switches to a fair market loan arrangement, when imputed income is calculated based on the loan interest charged on the cumulative loan. The "switch" to a loan is necessary so that the equity in the policy is not income taxed.
- **Imputed Loan Interest** – This represents the loan interest due on the cumulative premium loan after the switch to a loan arrangement. The loan interest is calculated using the applicable federal rate (AFR) of interest for fair market loans based on the term of the loan. The AFR is a government published rate at the time the loan is established and can be fixed for a term of years or may change annually based on interest rates. It is important to consider interest costs in a Switch Dollar plan.
- **Annual Loan from Employer** – The annual loan amount received by the policyowner each year to pay the policy premium.
- **Total Loan from Employer End Year** – The loan principal as of the end of the policy year including any accrued loan interest.
- **Annual Policy Distributions** – This refers to annual distributions taken from the policy to pay taxes when the policy is transferred by the company as a bonus to the key-person, or to pay the company for the value of the policy when transferred, if and when transferred to the employee.
- **After-Tax Outlay Beg Year** – For employee, it is employee's tax bracket times Imputed Income. For employer, it is the same as the before-tax outlay.premiums paid) is not taxed to the employee.

***Roll-out Year** – This reference in the title on this page refers to the year the cumulative employer loan is to be repaid by the employee to the company. It is the year the split dollar plan terminates and the policy values will no longer serve as collateral for the split dollar arrangement, and therefore will no longer be split between the company and the employee.

Switch Year – This reference in the title of this page refers to the year that the plan is "switched" from an economic benefit arrangement, in which the imputed income is based off of the term cost of the life insurance coverage, to a loan arrangement in which loan interest is due on the cumulative premium loan to date. The switch year is when the policy cash value is equal to the premiums paid and before it is in an equity position. The switch is necessary so that the policy's equity (cash value above cumulative premiums paid) is not taxed to the employee.

Non-Equity Collateral Assignment - Switch Dollar

Switch Year 10, Roll-out Year 14 - Single Bonus

Valued Client, Male 45, Ultra Preferred Non-Tobacco
Whole Life 12 Pay
Initial Death Benefit: $1,200,000 **Initial Premium:** $57,828
Dividend: Current **Dividend Option:** Paid Up Additions
Riders: ABR, TIR

		EMPLOYER			EMPLOYEE								
			Non-guaranteed Policy Values									Non-guaranteed Policy Values	
Year	Age	Annual Outlay Begin Year	Net Cash Value End Year	Net Death Benefit End Year	Imputed Income[7]	Tax on Imputed Income (25.00%)	Imputed Loan Interest[8]	Annual Loan From Employer	Cumulative Loan from Employer End Year	Policy Distributions	After-Tax Outlay Beg Year	Net Cash Value End Year	Net Death Benefit End Year
1	46	57,828	19,704	57,828	573	143	0	0	0	0	143	0	1,146,382
2	47	57,828	55,017	115,656	593	148	0	0	0	0	148	0	1,097,831
3	48	57,828	106,955	173,484	611	153	0	0	0	0	153	0	1,054,259
4	49	57,828	162,631	231,312	630	157	0	0	0	0	157	0	1,015,730
5	**50**	**57,828**	**222,274**	**289,140**	**648**	**162**	**0**	**0**	**0**	**0**	**162**	**0**	**982,307**
6	51	57,828	285,602	346,968	667	167	0	0	0	0	167	0	952,871
7	52	57,828	352,822	404,796	686	172	0	0	0	0	172	0	927,505
8	53	57,828	424,094	462,624	707	177	0	0	0	0	177	0	906,141
9	54	57,828	499,699	520,452	747	187	0	0	0	0	187	0	888,926
10	**55**	**57,828**	**578,280**	**578,280**	**0**	**0**	**28,914**	**578,280**	**578,280**	**0**	**0**	**1,595**	**875,901**
11	56	57,828	636,108	636,108	0	0	31,805	57,828	636,108	0	0	30,626	871,094
12	57	57,828	693,936	693,936	0	0	34,697	57,828	693,936	0	0	66,728	874,443
13	58	0	693,936	693,936	0	0	34,697	0	693,936	0	0	108,343	920,080
14	59	0	0	0	693,936	173,484	0	0	0	173,484	173,484	663,629	1,302,894
15	**60**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**700,224**	**1,341,939**
16	61	0	0	0	0	0	0	0	0	0	0	738,774	1,382,411
17	62	0	0	0	0	0	0	0	0	0	0	779,264	1,424,198
18	63	0	0	0	0	0	0	0	0	0	0	821,845	1,467,501
19	64	0	0	0	0	0	0	0	0	0	0	866,641	1,512,462
20	**65**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**913,762**	**1,559,135**
Total		**693,936**			**699,798**	**174,950**	**130,113**	**693,936**		**173,484**	**174,950**		

* Assumes the employer transfers the policy as a bonus and the employee takes a distribution from the policy to pay the taxes on the bonus.
[7] Economic Benefit is based on MassMutual's Non-Convertible Term Rates, which may not qualify to be used in the future. If not, the government Table 2001 must be used.
[8] Loan interest is assumed to be 5.00%, based off of current applicable federal rates (AFR), which are subject to change annually, according to the AFR rates at the time. This example assumes that the current rate will continue unchanged for all years shown, which will not be the case. The annual rates will be higher or lower in any given year.
These illustrated amounts are not guaranteed. They include dividends, which are neither estimates nor guarantees, but are based on the 2023 dividend schedule. Dividends in future years may be lower or higher, depending on the company’s actual experience. Due to this fact, we strongly recommend you look at a lower schedule illustration.
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Non-Equity Collateral Assignment - Switch Dollar

Switch Year 10, Roll-out Year 14 - Single Bonus

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		EMPLOYER			EMPLOYEE								
			Non-guaranteed Policy Values									Non-guaranteed Policy Values	
Year	Age	Annual Outlay	Net Cash Value End Year	Net Death Benefit End Year	Imputed Income[7]	Tax on Imputed Income (25.00%)	Imputed Loan Interest[8]	Annual Loan From Employer	Cumulative Loan from Employer End Year	Policy Distributions	After-Tax Outlay Beg Year	Net Cash Value End Year	Net Death Benefit End Year
21	66	0	0	0	0	0	0	0	0	0	0	963,314	1,607,614
22	67	0	0	0	0	0	0	0	0	0	0	1,015,310	1,657,702
23	68	0	0	0	0	0	0	0	0	0	0	1,069,832	1,709,433
24	69	0	0	0	0	0	0	0	0	0	0	1,126,993	1,762,827
25	**70**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**110,000**	**(110,000)**	**1,071,252**	**1,640,835**
26	71	0	0	0	0	0	0	0	0	110,000	(110,000)	1,012,438	1,519,105
27	72	0	0	0	0	0	0	0	0	110,000	(110,000)	950,478	1,397,597
28	73	0	0	0	0	0	0	0	0	110,000	(110,000)	885,161	1,276,147
29	74	0	0	0	0	0	0	0	0	110,000	(110,000)	816,236	1,179,521
30	**75**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**110,000**	**(110,000)**	**743,441**	**1,090,875**
31	76	0	0	0	0	0	0	0	0	110,000	(110,000)	666,441	1,009,292
32	77	0	0	0	0	0	0	0	0	110,000	(110,000)	584,990	923,002
33	78	0	0	0	0	0	0	0	0	110,000	(110,000)	498,761	831,565
34	79	0	0	0	0	0	0	0	0	110,000	(110,000)	407,426	734,574
35	**80**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**110,000**	**(110,000)**	**310,629**	**631,637**
36	81	0	0	0	0	0	0	0	0	0	0	323,677	637,812
37	82	0	0	0	0	0	0	0	0	0	0	336,449	643,012
38	83	0	0	0	0	0	0	0	0	0	0	348,788	647,039
39	84	0	0	0	0	0	0	0	0	0	0	360,520	650,012
40	**85**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**371,465**	**651,824**
Total		**693,936**			**699,798**	**174,950**	**130,113**	**693,936**		**1,383,484**	**(1,035,050)**		

* Assumes the employer transfers the policy as a bonus and the employee takes a distribution from the policy to pay the taxes on the bonus.
[7] Economic Benefit is based on MassMutual's Non-Convertible Term Rates, which may not qualify to be used in the future. If not, the government Table 2001 must be used.
[8] Loan interest is assumed to be 5.00%, based off of current applicable federal rates (AFR), which are subject to change annually, according to the AFR rates at the time. This example assumes that the current rate will continue unchanged for all years shown, which will not be the case. The annual rates will be higher or lower in any given year.
These illustrated amounts are not guaranteed. They include dividends, which are neither estimates nor guarantees, but are based on the 2023 dividend schedule. Dividends in future years may be lower or higher, depending on the company's actual experience. Due to this fact, we strongly recommend you look at a lower schedule illustration.
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Non-Equity Collateral Assignment - Switch Dollar

Switch Year 10, Roll-out Year 14 - Single Bonus

Valued Client, Male 45, Ultra Preferred Non-Tobacco
Whole Life 12 Pay
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		EMPLOYER			EMPLOYEE								
			Non-guaranteed Policy Values									Non-guaranteed Policy Values	
Year	Age	Annual Outlay	Net Cash Value End Year	Net Death Benefit End Year	Imputed Income[7]	Tax on Imputed Income (25.00%)	Imputed Loan Interest[8]	Annual Loan From Employer	Cumulative Loan from Employer End Year	Policy Distributions	After-Tax Outlay Beg Year	Net Cash Value End Year	Net Death Benefit End Year
41	86	0	0	0	0	0	0	0	0	0	0	381,077	652,070
42	87	0	0	0	0	0	0	0	0	0	0	389,231	650,830
43	88	0	0	0	0	0	0	0	0	0	0	395,491	647,829
44	89	0	0	0	0	0	0	0	0	0	0	399,359	642,753
45	**90**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**400,484**	**635,225**
46	91	0	0	0	0	0	0	0	0	0	0	398,421	624,807
47	92	0	0	0	0	0	0	0	0	0	0	393,113	611,189
48	93	0	0	0	0	0	0	0	0	0	0	384,561	593,945
49	94	0	0	0	0	0	0	0	0	0	0	373,047	572,695
50	**95**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**359,292**	**547,012**
51	96	0	0	0	0	0	0	0	0	0	0	344,669	516,221
52	97	0	0	0	0	0	0	0	0	0	0	330,326	480,147
53	98	0	0	0	0	0	0	0	0	0	0	318,819	437,771
54	99	0	0	0	0	0	0	0	0	0	0	314,790	387,656
55	**100**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**327,339**	**327,339**
Total		**693,936**			**699,798**	**174,950**	**130,113**	**693,936**		**1,383,484**	**(1,035,050)**		

* Assumes the employer transfers the policy as a bonus and the employee takes a distribution from the policy to pay the taxes on the bonus.
[7] Economic Benefit is based on MassMutual's Non-Convertible Term Rates, which may not qualify to be used in the future. If not, the government Table 2001 must be used.
[8] Loan interest is assumed to be 5.00%, based off of current applicable federal rates (AFR), which are subject to change annually, according to the AFR rates at the time. This example assumes that the current rate will continue unchanged for all years shown, which will not be the case. The annual rates will be higher or lower in any given year.
These illustrated amounts are not guaranteed. They include dividends, which are neither estimates nor guarantees, but are based on the 2023 dividend schedule. Dividends in future years may be lower or higher, depending on the company's actual experience. Due to this fact, we strongly recommend you look at a lower schedule illustration.
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Non-Equity Collateral Assignment - Switch Dollar
Internal Rates of Return - To Employee

Valued Client, Male 45, Ultra Preferred Non-Tobacco
Whole Life 12 Pay
Initial Death Benefit: $1,200,000 **Initial Premium:** $57,828
Dividend: Current **Dividend Option:** Paid Up Additions
Riders: ABR, TIR

PROJECTED NON-GUARANTEED VALUES						
Yr.	Age	Employee Net Outlay	Employee's Net Cash Value End Year	IRR On Cash Value	Employee's Net Death Benefit	Net IRR On Death Benefit
1	46	143	0	0.00%	1,146,382	799900%
2	47	148	0	0.00%	1,097,831	8601%
3	48	153	0	0.00%	1,054,259	1809%
4	49	157	0	0.00%	1,015,730	789.70%
5	50	162	0	0.00%	982,307	461.77%
6	51	167	0	0.00%	952,871	313.36%
7	52	172	0	0.00%	927,505	232.15%
8	53	177	0	0.00%	906,141	182.09%
9	54	187	0	0.00%	888,926	148.61%
10	55	0	1,595	1.46%	875,901	124.89%
11	56	0	30,626	46.33%	871,094	107.43%
12	57	0	66,728	52.21%	874,443	94.14%
13	58	0	108,343	53.09%	920,080	84.35%
14	59	173,484	663,629	63.73%	1,302,894	76.80%
15	60	0	700,224	54.48%	1,341,939	67.64%
16	61	0	738,774	45.99%	1,382,411	59.24%
17	62	0	779,264	38.75%	1,424,198	51.53%
18	63	0	821,845	33.07%	1,467,501	44.69%
19	64	0	866,641	28.76%	1,512,462	38.90%
20	65	0	913,762	25.51%	1,559,135	34.17%
21	66	0	963,314	23.00%	1,607,614	30.39%
22	67	0	1,015,310	21.02%	1,657,702	27.34%
23	68	0	1,069,832	19.43%	1,709,433	24.86%
24	69	0	1,126,993	18.12%	1,762,827	22.82%
25	70	(110,000)	1,071,252	17.13%	1,640,835	20.88%
26	71	(110,000)	1,012,438	16.38%	1,519,105	19.35%
27	72	(110,000)	950,478	15.79%	1,397,597	18.14%
28	73	(110,000)	885,161	15.34%	1,276,147	17.18%
29	74	(110,000)	816,236	14.98%	1,179,521	16.51%
30	75	(110,000)	743,441	14.70%	1,090,875	16.00%
31	76	(110,000)	666,441	14.48%	1,009,292	15.63%
32	77	(110,000)	584,990	14.32%	923,002	15.32%
33	78	(110,000)	498,761	14.19%	831,565	15.07%
34	79	(110,000)	407,426	14.10%	734,574	14.87%
35	80	(110,000)	310,629	14.03%	631,637	14.70%

Total: ########

PROJECTED NON-GUARANTEED VALUES						
Yr.	Age	Employee Net Outlay	Employee's Net Cash Value End Year	IRR On Cash Value	Employee's Net Death Benefit	Net IRR On Death Benefit
36	81	0	323,677	13.97%	637,812	14.56%
37	82	0	336,449	13.91%	643,012	14.42%
38	83	0	348,788	13.86%	647,039	14.30%
39	84	0	360,520	13.81%	650,012	14.19%
40	85	0	371,465	13.76%	651,824	14.09%
41	86	0	381,077	13.72%	652,070	14.00%
42	87	0	389,231	13.67%	650,830	13.92%
43	88	0	395,491	13.63%	647,829	13.84%
44	89	0	399,359	13.59%	642,753	13.78%
45	90	0	400,484	13.56%	635,225	13.71%
46	91	0	398,421	13.52%	624,807	13.66%
47	92	0	393,113	13.49%	611,189	13.61%
48	93	0	384,561	13.46%	593,945	13.56%
49	94	0	373,047	13.43%	572,695	13.52%
50	95	0	359,292	13.41%	547,012	13.48%
51	96	0	344,669	13.39%	516,221	13.44%
52	97	0	330,326	13.37%	480,147	13.41%
53	98	0	318,819	13.35%	437,771	13.38%
54	99	0	314,790	13.34%	387,656	13.36%
55	100	0	327,339	13.33%	327,339	13.33%

The Internal Rates of Return are a measure that can be used to evaluate performance and is based on the current dividend schedule. They are an amount at which outlays (out-of-pocket costs) up to that year must be compounded each year to generate the Net Death Benefit or Net Cash Value. For example, you would have to earn 13.33% on your investment (17.78% on a taxable asset taxed at 25.00%) in order to equal the proposed Whole Life 12 Pay death benefit policy over 55 years.

Total: ########

The assumed executive tax rate is 25.00%
These illustrated amounts are not guaranteed. They include dividends, which are neither estimates nor guarantees, but are based on the 2023 dividend schedule. Dividends in future years may be lower or higher, depending on the company's actual experience. Due to this fact, we strongly recommend you look at a lower schedule illustration.
This illustration is not valid unless accompanied by or preceded by a Massachusetts Mutual Life Insurance Company Whole Life 12 Pay Basic Illustration dated November 07, 2023. Refer to the Basic Illustration for guaranteed elements, assumptions, explanations, and other important information.

Assumptions Used to Prepare the Concept Illustration

	Value	Explanation
EMPLOYEE INFORMATION		
Employee's Last Name	Client	
Employee's First Name	Valued	
Age	45	
Sex	Male	
Assumed underwriting classification	Ultra Preferred Non-Tobacco	
Employee's Income Tax Rate	25.00%	
EMPLOYER INFORMATION		
Proposal Year	2023	Proposal year
Owner	ABC Company	
Employer Income Tax Rate	21.00%	
SWITCH DOLLAR (NON-EQUITY)		
Assignor Name:	Corporate Name	
Assignee Name:	Company	
Employee Cost:	Economic Benefit before Switch Year/ Loan Interest Post Switch Year	
Economic Benefit Table to Use:	MassMutual NCT rates (until age 95, after which the Table 2001 rates apply).	
Policy Rollout?	Yes	
Rollout Year:	14	
Rollout Amount Type:	Full	
Rollout Method:	Bonus	
Switch Dollar Interest Rate Option	Specific	
Loan Interest Rate	5.00%	

Whole Life Legacy series policies ((Policy Forms: MMWL 2018 and ICC18 MMWL in certain states, including North Carolina)/(MMWLA 2018 and ICC18 MMWLA in certain states, including North Carolina)) and MassMutual Whole Life series policies on the digital platform (Policy Forms: WL 2018 and ICC18WL in certain states, including North Carolina) are level premium, participating, permanent life insurance policies issued by Massachusetts Mutual Life Insurance Company (MassMutual), Springfield, MA 01111 0001.

Assumptions Used to Prepare the Concept Illustration

	Value	Explanation
PRODUCT INFORMATION		
Policy Name	Whole Life 12 Pay	
State	Massachusetts	
Initial Policy Death Benefit	$1,200,000.00	
LISR Death Benefit	$0.00	
RTR Death Benefit	$0.00	
Policy Premium	$57,828.00	
Years for Premiums	12	
Dividend Rate	Current	
Riders:	ABR, TIR	

Whole Life Legacy series policies ((Policy Forms: MMWL 2018 and ICC18 MMWL in certain states, including North Carolina)/(MMWLA 2018 and ICC18 MMWLA in certain states, including North Carolina)) and MassMutual Whole Life series policies on the digital platform (Policy Forms: WL 2018 and ICC18WL in certain states, including North Carolina) are level premium, participating, permanent life insurance policies issued by Massachusetts Mutual Life Insurance Company (MassMutual), Springfield, MA 01111 0001.