



SUCCESS STRATEGIES

Advanced Sales

The Retirement Buy-Sell

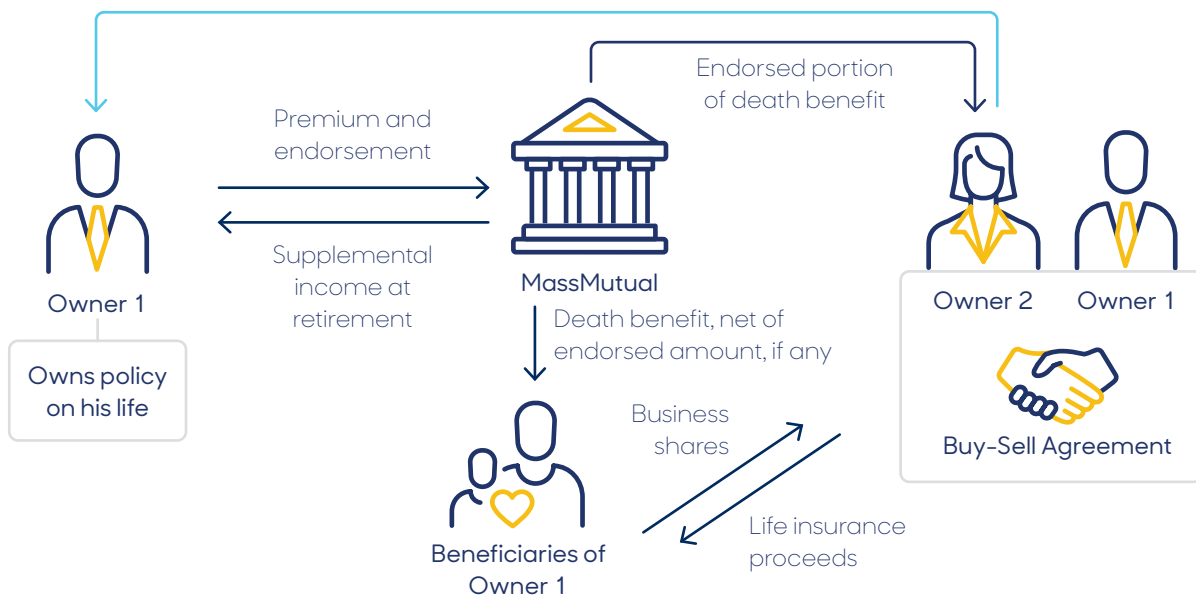
MassMutual® Whole Life is ideally suited for business owners

Business owners have unique planning needs. A MassMutual Whole Life policy is ideally suited to help business owners fund **retirement buy-sell plans**, which offer them efficiency as both a buy-sell arrangement and retirement savings using life insurance.

Buy-Sell plans are typically structured so that each owner owns a policy on each other. Alternatively, the company owns a policy on each owner and facilitates the transfer of shares at a triggering event. There are challenges that each present, a primary one of which is that both do not allow the business owners to retain the policy for their own personal needs after the buy-sell period ends, without a formal transfer of the policy. In the **Retirement Buy-Sell**, the owners own the whole life policy on their own lives and endorse a portion of the death benefit to each other during the buy-sell period.

MASSMUTUAL WHOLE LIFE ADDRESSES THE KEY PLANNING PRIORITIES OF BUSINESS OWNERS: **SUCCESSION AND RETIREMENT**

The cost to each of the business owners is the term cost of the endorsed death benefit from each policy¹



¹ Each business owner pays each other the economic value (or term cost) of the endorsed death benefit amount from their policy each year based on their respective attained age. The term rates are based on the insurance company's alternative term rate table or the published government 2001 term table.



Life Insurance

MASSMUTUAL WHOLE LIFE IN ACTION: AGE 45 MALE, ULTRA PREFERRED NON-TOBACCO: INITIAL DEATH BENEFIT \$2,000,000

Annual outlay	Cumulative annual outlay (10 premiums)	Buy-Sell obligation (until age 68)	Annual distribution ¹ age 69-86	Cumulative policy distributions age 69-86	Internal Rate of Return ² on cash value at age 86
\$142,800	\$1,428,000	\$2,000,000	\$229,152	\$4,124,736	4.46%

Consider, too, the tax-equivalent internal rate of return (IRR) on cash value, assuming a 28% tax rate is 6.19%.

See the [Simplify](#) client sample presentation on Retirement Buy-Sell and the basic illustrations.

The example above assumes the purchase of a MassMutual Whole Life 10 Pay policy, ten annual premiums of \$142,800, and an initial death benefit of \$2,000,000. It also assumes that annual distributions of \$229,152 are taken from the policy beginning at age 69 through end of age 86, and that the policy's cash values have not been accessed prior to retirement. The net death benefit at age 68, right before retirement, is \$4,177,770. The net death benefit at age 86, after distributions have been taken, is \$1,186,268. The illustration assumes distributions up to cost basis are taken from the policy, after which policy loans are taken. The illustration assumes a policy fixed loan rate of 6%.

This is a supplemental illustration and is not valid unless accompanied by or preceded by a Whole Life 10 Pay. Refer to the [Basic Illustration](#) for guaranteed elements and other important information.

These illustrated amounts are not guaranteed. They include dividends, which are neither estimates nor guarantees, that have been applied to purchase paid-up additions based on the 2024 dividend schedule. The dividend schedule is reviewed annually, and it is likely that dividends in future years will be lower or higher depending on the Company's actual experience. For this reason, we strongly recommend that you look at a lower dividend schedule illustration. Refer to the Basic Illustration for guaranteed elements, assumptions, explanations and other important information.

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.

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. Life insurance proceeds are generally excluded from the beneficiary's gross income for income tax purposes. There have been a few exceptions such as when a life insurance policy has been transferred for valuable consideration.

² The Internal Rate of Return (IRR) is a measure that can be used to evaluate performance and is based on the current dividend schedule. It is the amount at which outlays (out-of-pocket costs) up to that year must be compounded each year to generate the Net Cash Value.



Life Insurance

A MassMutual Whole Life policy offers the requisite death benefit coverage to facilitate the transfer of business shares to surviving owners in the event of premature death – *while the policy's potentially higher cash value accumulation fuels significant tax-advantaged supplemental income for the insured business owner at retirement.*



Contact Advanced Sales at 1-800-601-9983 Option #2
or email MMSDAdvancedSales@MassMutual.com

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Whole Life Series policies ((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 Coverpath 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, Springfield, MA 01111-0001.

