



# Gift of a Lifetime

A lasting connection to a child you love



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for a Child?
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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.

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# A Lifetime of Benefits

**Giving a participating whole life insurance policy to a child helps you set an example of financial responsibility and emphasize the importance of protecting loved ones. Massachusetts Mutual Life Insurance Company (MassMutual) offers a way to give a gift that could last a lifetime and provides a range of benefits throughout your child's life.**

## Helping Children Reach for Their Dreams

Whole life insurance from MassMutual can give children a head start toward realizing their dreams and achieving their financial goals by providing guaranteed life insurance protection and guaranteed cash value accumulation.

As adults, your children can access their policy's cash value<sup>1</sup> for any reason:

- College tuition and expenses
- Funding a wedding
- A down payment on a house
- Starting a business

However, any distributions will reduce the policy's cash value and death benefit, so they should be selective about how they use their policies.



When they become adults, your children can use their policies' cash value whenever they need it, for whatever is important to them.

<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, 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.

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.



# Why Whole Life Insurance for a Child?

## Never Too Young to Start

Life insurance premiums are based on a number of factors, including a person's age and health. Premiums are generally lower for children because they are young and healthy. Purchasing whole life insurance for children now will help ensure they have guaranteed protection for life, regardless of their future health status.

## Premium Payment Options

MassMutual offers whole life insurance policies with various premium payment durations. Many parents and grandparents select the 10- or 20-year premium payment period because they can ensure that the policy is fully funded once the child becomes an adult.

The Single Payment Program is another option to consider. This allows for a one-time payment to fund future policy premiums.<sup>2</sup> Grandparents often choose this option, which allows them to make a single payment to pay for policies on a number of grandchildren.

<sup>2</sup> The Single Payment Program involves the purchase of a MassMutual Whole Life Legacy Series life insurance policy and a RetireEase annuity, each of which can be purchased separately. There is no financial advantage to purchasing either the life insurance or annuity product in conjunction with this program, and you have the same rights, features and benefits under each product that you would have if you purchased them separately.





**Giving whole life insurance to a child now means lower premiums for you and guaranteed protection for future generations.**

### **Whole Life Can Grow With the Child**

If your children have families of their own one day, they may want to protect them by adding more life insurance. There is an option that allows the insured to purchase more coverage at certain life events (marriage, adoption or birth of a child) or at regular intervals, as needed. This option is available for an additional cost.



You could guarantee that your children can add up to \$1 million of life insurance, regardless of their future health.

# Important Considerations

## Limits and Restrictions

MassMutual has specific underwriting guidelines for insuring minors, some of which vary by state. Please consider the following limits and restrictions:

- Generally, insurance coverage will be limited to a maximum percentage of the coverage on a parent
- All siblings must have an equivalent amount of coverage
- The child must be at least 15 days old
- Ages 15 and younger need parental sign-off even if the policy is owned by a grandparent

## Who Should Own the Policy?

Whole life insurance policies on a minor must be owned by parents, grandparents or a trust. There are multiple factors to consider when deciding which ownership arrangement is most appropriate for your situation. These include the size of the policy, control of policy values and gift tax implications. Your financial professional and tax advisor can help you make this important decision.

## Gift Taxes

The Internal Revenue Service limits the amount that you can give tax free to a child in a particular year. For larger premium policies, a properly structured ownership arrangement allows you to take full advantage of those limits. The policy's cash value grows on a tax-deferred basis and may eventually be worth far more than your original gift.



# A Gift They Can't Outgrow

Children outgrow clothes, toys and other gifts. Whole life insurance from MassMutual is different. You can give your children a fully funded life insurance policy that will provide:

- Permanent life insurance to protect their own family one day
- Cash value to help fund life's big events<sup>1</sup>
- The option to increase their protection as their family grows

**Talk to your financial professional today about giving the gift of a lifetime to your child or grandchild.**



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.

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Learn more at [www.massmutual.com](http://www.massmutual.com)

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The Whole Life Legacy Series (WL-2007 and WL-NC-2007) are level-premium, participating, permanent life insurance policies issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001.

MassMutual RetireEase [Contract Form #SPIA05; SPIA05(NC)] is a single premium immediate fixed annuity contract issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111.

MassMutual RetireEase is not a Medicaid-friendly immediate annuity. The use of MassMutual RetireEase in conjunction with Medicaid planning is prohibited.

The product and/or certain features may not be available in all states.

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