



Who's Guarding Your Retirement?

DISABILITY INCOME INSURANCE AND YOUR RETIREMENT SAVINGS

NOT FOR USE IN CALIFORNIA OR FLORIDA

AGENDA



Perspectives on
disability



How a disability can
affect retirement

Perspectives on Disability





Perspectives on Disability

Just over **1 in 4** of today's 20 year olds will become **disabled** before reaching retirement age



Source: Social Security Administration, Fact Sheet, June 2017



Perspectives on Disability

Disability Claims by Diagnosis

Percentage	 Disability
28.7%	Musculoskeletal/Connective Tissue
14.6%	Cancer and Neoplasms
10.2%	Injury and Poisoning
8.9%	Mental Disorders
8.5%	Cardiovascular/Circulatory
7.5%	Nervous System Related
6.0%	Maternity



How a disability can affect retirement





How a disability can affect retirement

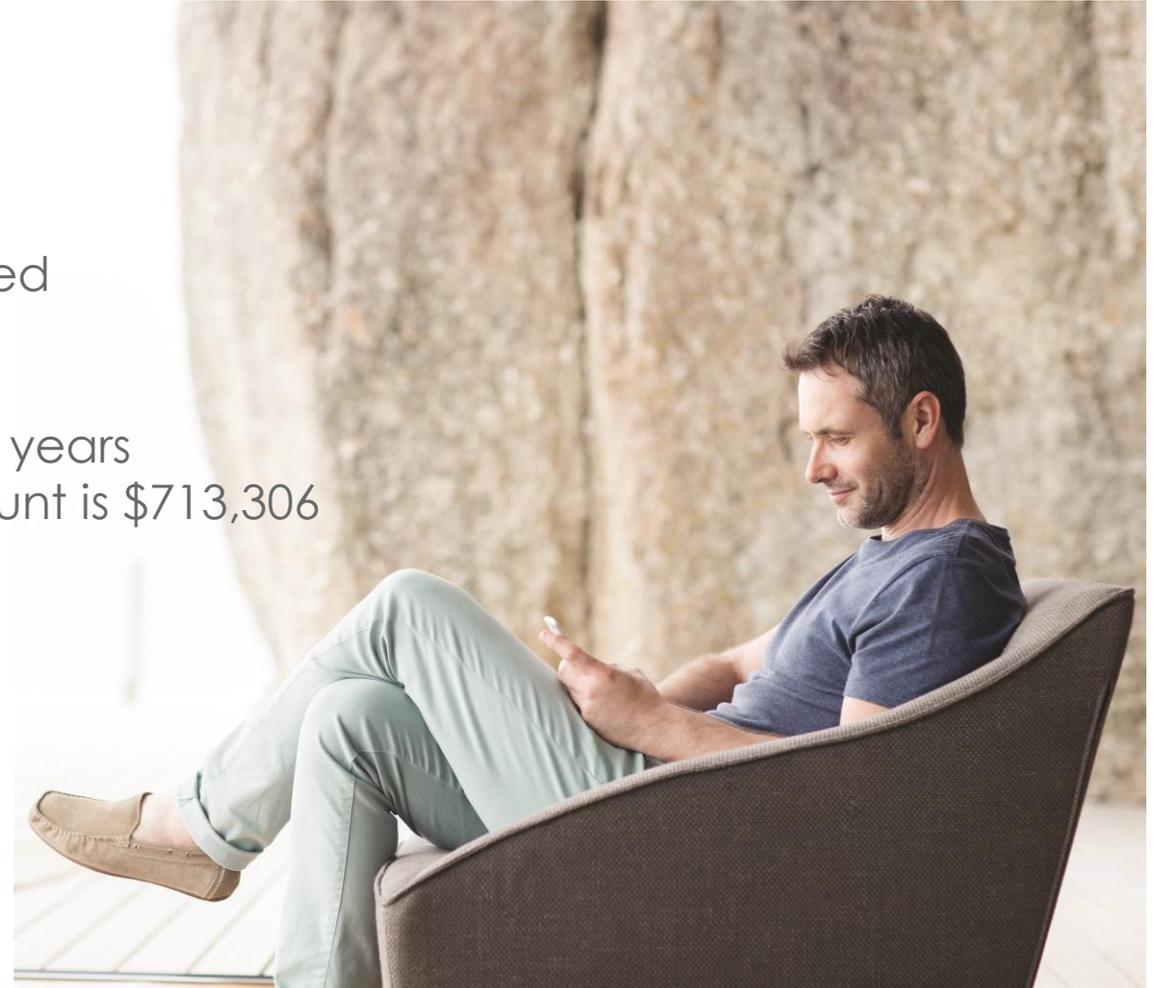
Measuring the impact

Meet Kevin

- 40 years old
- \$500 monthly contributions to his 401(k) — a defined contribution plan
- \$250 monthly employer contribution match
- \$9,000 total annual combined contributions for 25 years
- At age 65 Kevin's defined contribution plan account is \$713,306

What would happen if Kevin became totally disabled?

Hypothetical example. Assumes contributions are made monthly and grow at an 8% annual percentage rate. This does not represent the return on any particular investment. Note: 8% annual percentage rate is a hypothetical rate. Rates of return are not guaranteed.





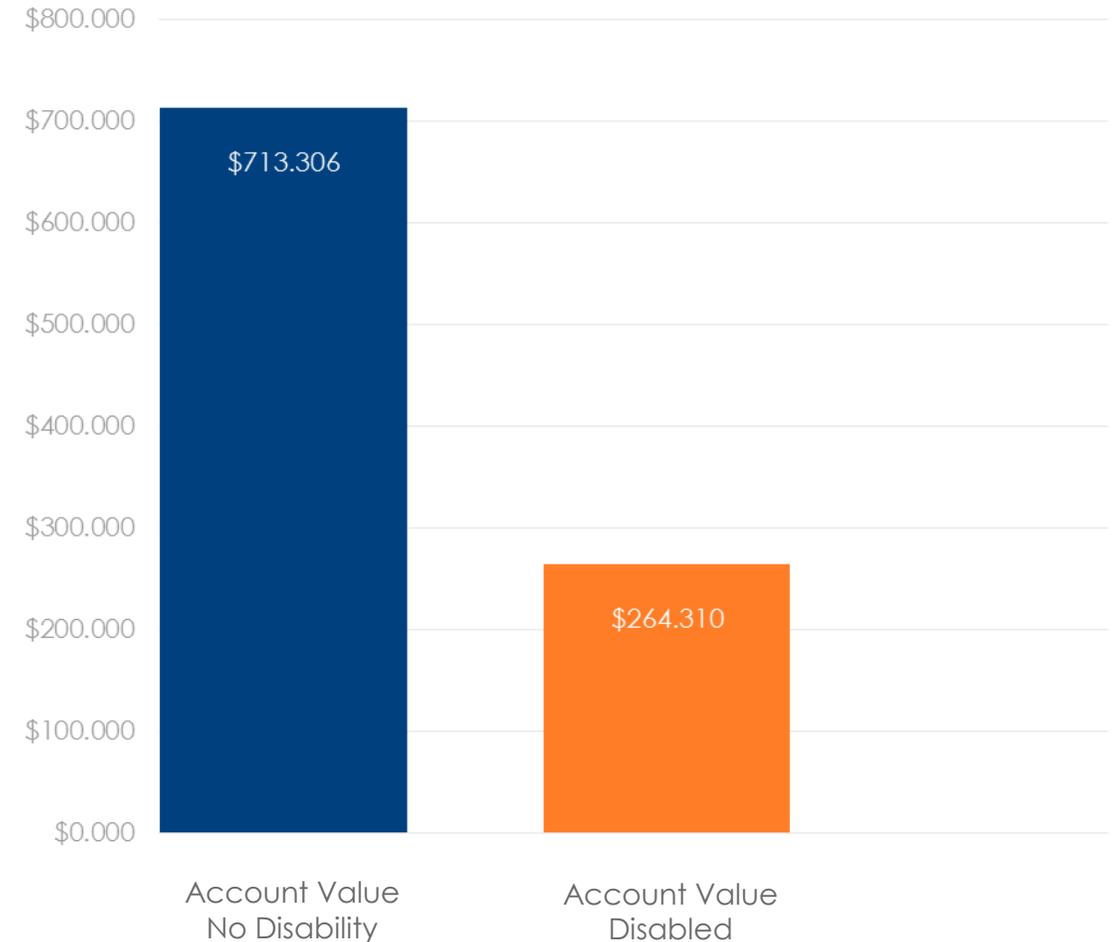
How a disability can affect retirement

Measuring the impact

Kevin becomes totally and continuously disabled at age 45

Prior to his disability, Kevin made payments (including employer matching contributions) over five years totaling \$9,000 into his defined contribution plan. No further payments are made after disability strikes.

Hypothetical example. Assumes the insured became totally and continuously disabled at age 45 until age 65; therefore, he was not able to continue making contributions to his defined contribution plan. Assumes 401K balance continues to grow at an 8% annual percentage rate. Note: 8% rate of return is a hypothetical rate. Rates of return are not guaranteed.





How a disability can affect retirement

Protecting the ability to save for retirement

How can Kevin help protect his retirement if he becomes too sick or injured to work?

RetireGuard[®] can help replace an amount equal to his retirement plan contributions that would have been made to his eligible defined contribution plan if he had not become disabled. During a total disability, RetireGuard makes monthly benefit payments to a trust account to help fund his future retirement income needs.^{1, 2}



RetireGuard is not a retirement plan, nor a substitute for one. Rather, it is an individual disability income insurance policy that helps protect future retirement income needs in the event of a total disability.

1. Trust services provided by the MassMutual Trust Company _{FSB}, a wholly owned subsidiary of MassMutual.

2. Benefits are not paid into an employer-sponsored retirement plan.

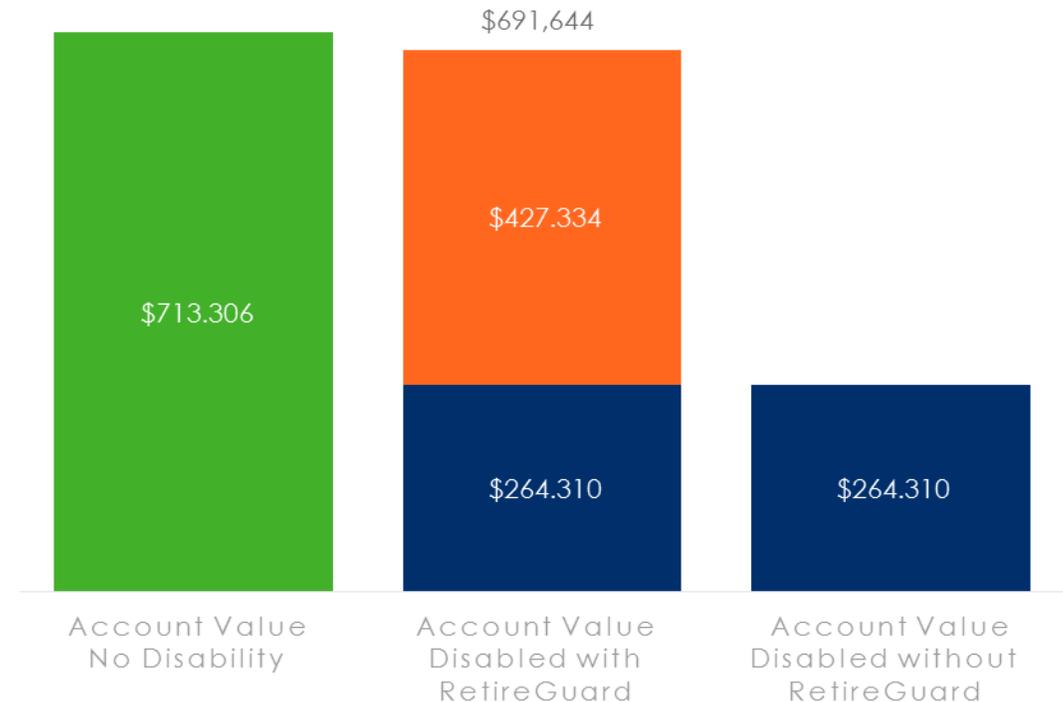


How a disability can affect retirement

Protecting the ability to save for retirement

How might Kevin fare if he had RetireGuard?

Beginning 180 days after disability, monthly benefits of \$750 are paid into a MassMutual trust account. At age 65, the combination of his defined contribution plan and the MassMutual trust account totals \$691,644.



Hypothetical example. Assumes the insured suffered an illness or injury at age 45 that prevented him from working through age 65 and had RetireGuard, after satisfying a 180-day waiting period where contributions were made into a trust account that earned a 8% after tax rate of return. This also assumes that any taxes incurred on the trust investment earnings are paid by the grantor/insured out of other funds. Note: 8% rate of return is a hypothetical rate. Rates of return are not guaranteed. Eligibility for disability benefits are determined in accordance with the terms of the policy.

- 401(k) Account Value No Disability
- RetireGuard benefit payments into MassMutual Trust Account
- 401(k) Account Value With Disability



How a disability can affect retirement

Protecting the ability to save for retirement

Kevin:

40 yr. old man \$750/mo. RetireGuard benefit sample cost: \$17.10/mo. | \$205.20/yr. | **\$0.56 a day.**
About a quarter of the cost of a large cup of coffee.

If Kevin becomes disabled at age 45, total benefits of \$9,000 would be paid into his trust account during the 12 months following the waiting period. While he remains disabled, a total of \$9,000 annually would continue to be paid into his account.

Note: actual cost will vary by individual based on underwriting factors.

Pricing used for this hypothetical example: RetireGuard Standalone, 180 day waiting period, to age 65 benefit period, male, 5A occupation class, non-nicotine use, monthly PAC bill.

Annual RetireGuard policy benefits



\$9,000

Sample estimated annual cost



\$205.20



How a disability can affect retirement

RetireGuard - Eligible retirement plans

- Defined contribution pension plans
 - 401(k) plans
 - Profit sharing plans
 - Keogh plans
 - Stock bonus plans
- Employee stock ownership plans (ESOPs)
- Individual retirement accounts (IRAs)
- Simplified employee pensions (SEPs)
- Tax-Sheltered annuity arrangements/403(b) plans¹
- Certain non-qualified deferred compensation arrangements (evaluated and issued on a case-by-case basis)

Not a complete list.

¹ Except plans that are part of STRS, PERS or FERS.





Important points to remember

Perspectives on disability



Many people don't realize the risk of a disability

How a disability can affect retirement



Retirement income protection is important, and often overlooked



Disclosure for Radius Choice policy

Renewability, Cancellability, and Termination: This policy is Non-Cancellable until the Policy Anniversary on or next following the Insured's 65th birthday. During that time, we cannot change the premiums or cancel the Policy unless requested by you, and, as long as premiums are paid on time, we will continue coverage. Thereafter, the policy is Conditionally Renewable until the policy anniversary on or next following the Insured's 75th birthday as long as the Insured is Actively at Work and is not Disabled. We can change the premiums while this policy is Conditionally Renewable.

The Policy also sets forth certain limits.

Waiting Period: The Policy does contain a Waiting Period. This is the period immediately following the start of Disability during which benefits do not accrue.

Medical Examination: A medical examination is required to apply for the Policy.

Exceptions, Reductions and Limits of the Policy: Regardless of the Maximum Benefit Period for all Policy and Rider Coverage, the Maximum Benefit Period is 24 months for each period of Disability caused or contributed to by a Mental Disorder.

This Policy does not provide any benefit for any Disability:

- during a period of legal incarceration in a penal or correctional institution of more than 7 days or during a period of legal detainment of more than 7 days. Also, this time does not apply for completion of the Waiting Period.
- sustained during declared war or undeclared war or act of war.
- caused or contributed to by normal pregnancy or childbirth.
- sustained during participation in a riot or insurrection.
- resulting from active duty in the armed forces of any nation or international governmental authority or units auxiliary thereto or the National Guard or similar government organizations.
- caused by any intentionally, self-inflicted injury.
- sustained during the Insured's commission of, or attempt to commit, a felony under local, state or federal law, or while engaged in an illegal occupation.
- that results from, or is contributed to, by a disease, disorder or physical condition that was excluded as a result of the underwriting process by name or specific description.

The Policy does contain a provision which may not cover a Disability which is traceable to a condition existing prior to the effective date of the Policy.

There may be other exclusions or limitations associated with riders or endorsements if any are attached to your policy.



Disclosure for Radius Policy

Renewability, Cancellability, and Termination: We will not cancel the Policy, change its terms or increase the premiums. As long as the premiums are paid on time, we will continue coverage until the Expiration Date.

The Policy also sets forth certain limits.

Waiting Period: The Policy does contain a Waiting Period. This is the period immediately following the start of Disability during which benefits do not accrue.

Medical Examination: A medical examination is required to apply for the Policy.

Exceptions, Reductions and Limits of the Policy: Regardless of the Maximum Benefit Period for all Policy and Rider Coverage, the Maximum Benefit Period is 24 months for each period of Disability caused or contributed to by a Mental Disorder.

Coverage is not provided for a Disability caused or contributed to by normal pregnancy or childbirth.

The Policy does not cover hospital, medical or surgical expenses.

We do not cover Disabilities caused or contributed to by war (declared or not declared).

We may suspend the Policy if the Insured enters active military service for more than 90 days. If the Insured is released from active duty within 5 years, you may restore coverage within 90 days of the Insured's release. We will not require Proof of Insurability.

The Policy does contain a provision which may not cover a Disability which is traceable to a condition existing prior to the effective date of the Policy.

There may be other exclusions or limitations associated with riders or endorsements if any are attached to your policy.





When insured with RetireGuard, during a period of total disability, MassMutual will pay benefits into an irrevocable trust. The trust offers different investment options so that a client can select the option that best meets his/her retirement goals. Trust assets may be tax deferred depending on the investment option(s) selected.

RetireGuard (policy form XLIS-RC-15 with EDI-10-RC, ICC15-XLIS-RC with ICC15-EDI-10-RC and XL-IS-92 with EDI-10; ICC15-XLIS-RC with ICC15-EDI-10-RC in North Carolina) is issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001.

New York Policies: This policy provides disability income insurance only. It does NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department. The expected benefit ratio for this policy is 50.2 percent. This ratio is the portion of future premiums which the company expects to return as benefits, when averaged over all the people with this policy.

For costs and complete details of coverage, call your agent or contact MassMutual at 1-800-272-2216 for a referral to an agent.

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Thank you!

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Questions
&
Answers

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