If saving for your child’s college education is an important financial goal for you, consider the advantages of including whole life insurance from Massachusetts Mutual Life Insurance Company (MassMutual) as part of your overall college funding strategy.

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 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.
Protect and Supplement Your Plan for College Savings

A whole life policy can help protect and supplement your plan for college savings. The guaranteed life insurance protection the policy provides can help make sure funds will be available to pay for college if you were to die before reaching your savings goal. In addition, the policy builds cash value over time which increases each year and will never decline in value due to changes in the financial markets.

Your cash value can be a source of funds to help pay for college. Depending on the dividend option you select, you may be able to surrender dividends for their cash value at any time. In addition, you can borrow against your policy’s cash value for any reason.

Using your policy to help pay for college may offer certain advantages, including:

- Partial surrenders (up to your cost basis) and policy loans are not subject to income taxes or penalties regardless of how you choose to use them. Distributions from some types of college savings plans may be subject to income taxes and penalties if not spent on Qualified Higher Education Expenses.
- Policy loans may offer an additional source of borrowing. They are not subject to credit approval and have no fixed repayment schedule. A policy loan may be an attractive alternative to a student loan, a home equity loan or borrowing from your retirement plan.
- Personally owned life insurance policy cash values are fully or partially protected from the claims of creditors in most states.
- Life insurance cash values are generally not considered in determining eligibility for financial aid. In some situations, this may help a student qualify for more aid.
- The Waiver of Premium Rider (available at an additional cost) will ensure that your coverage will stay in force, and your policy’s cash value will continue to grow, even if you become totally disabled and unable to work.

Saving for your child’s education is an important goal. Don’t leave it to chance. Talk to your financial professional today about how you can protect and supplement your college savings strategy with a MassMutual whole life policy.

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% 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.

2 Dividends are not guaranteed.

3 Available at an additional cost. Premiums will be waived for the insured’s total disability as defined by the Rider. The duration of waived premiums will be based on the insured’s age.


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