



MassMutual@WORK



EMPLOYEE

Reducing the stress of a chronic illness

Chronic Care from Massachusetts Mutual Life Insurance Company (MassMutual®)

You never know what may happen in the future. That's why MassMutual@WORK has added a new feature on new and existing group life insurance certificates that gives you more protection against unexpected life events. It's called the **Chronic Care Benefit** and you can receive a one-time advance, or acceleration, of a portion of the death benefit to help reduce financial stress if the insured becomes Chronically Ill. You can also use the benefit any way you choose. And it's available to you at no additional premium cost; if you never use it, you don't pay for it. This accelerated benefit is neither long-term care insurance nor nursing-home care insurance.



WHAT QUALIFIES AS BEING CHRONICALLY ILL?

The Chronic Care Benefit is available if the insured has been diagnosed by a Qualified Medical Practitioner as having a chronic illness. Chronically ill is generally defined as:

- Being permanently unable to perform, without substantial assistance, at least two Activities of Daily Living (ADLs) (eating, toileting, transferring, bathing, dressing, and continence) due to loss of functional capacity.
- Requires Substantial Supervision to protect the Insured from threats to health or safety due to permanent Severe Cognitive Impairment.



HOW MUCH IS THE CHRONIC CARE BENEFIT ACTUARIAL REDUCTION?

If you exercise the benefit, a percentage-based reduction¹ is applied to the Eligible Amount for the Chronic Care Benefit and is deducted from the benefit amount paid. The percentage is based on the age of the Insured at the time the benefit is exercised. The fee is: under age 35: 36%; ages 35-44: 27%; age 45 and above: 18%. There are no out-of-pocket costs ever.



Making a tough time a little easier

Living with a chronic illness is hard even without the additional expenses that it can bring. While you hope this never happens to you or your family, it's good to know that you can count on a Chronic Care Benefit to help you if you ever need it. Here's how it works:

- The payment is available once we receive due proof the Insured is Chronically Ill.
- There are no conditions on how you can spend the money: use it to help pay for additional medical care, hire in-home care, make home modifications, pay for transportation to medical appointments, or pay medical claims — anything that can help you live more comfortably.
- If your employer chooses, the Chronic Care Benefit may be included on group life insurance certificates insuring spouses, partners, and dependent children.



- As the certificate owner, you receive the benefit payment in a lump sum.²
 - For Group Whole Life: 75% of the death benefit can be accessed. The Chronic Care Benefit paid can be 75% of the sum of the certificate face amount plus any paid up additions (the Eligible Amount), minus the sum of: the present value based actuarial reduction, plus any due and unpaid premiums, and 75% of any certificate debt outstanding.
 - For Group Universal Life: 75% of the death benefit can be accessed. The Chronic Care Benefit paid is the sum of the face amount less the amount of any withdrawals taken in the prior 12 months (the Eligible Amount), minus the sum of: the present value based actuarial reduction, plus any unpaid premium amount needed to avoid certificate termination under the grace period, and 75% of any certificate debt outstanding.
 - For both the Group Whole Life and Group Universal Life certificates, if applicable, the Eligible Amount will be capped based on the per diem benefit permitted under IRC 7702 B(d) (4). State variations will apply.
- Group Whole Life and Group Universal Life insurance certificates also have a Terminal Illness Benefit that allows the certificate owner to accelerate a portion of the death benefit if the insured has been diagnosed with a terminal illness that will result in death in the next 12 months (24 months in some states). You cannot exercise the Chronic Care Benefit if you have used the Terminal Illness Benefit.





How chronic care can help

Meet Charles

- Charles is 44-years old when he purchases a \$50,000 Group Whole Life certificate with the Chronic Care Benefit through his employer for an annual premium of \$984.
- Fifteen years later, at age 59, Charles is certified as being Chronically Ill and exercises the Chronic Care Benefit.
- The Eligible Amount available for acceleration is \$37,500.
- At 59 years old, the actuarial reduction for exercising the benefit is 18% (\$6,750).
- He does not have any paid-up additions (he did not choose the Paid-Up Additions dividend option), certificate debt or any unpaid premiums.
- A \$30,750 benefit is paid to him.
- Charles is able to modify his bathroom and add a ramp to his house and even has a little money left over.
- The remainder of his Group Whole Life certificate – \$12,500 – stays in-force and the annual premium is reduced from \$984 to \$282.



Here is how Charles’s benefit is calculated:

75% of face amount	\$37,500
- 18% Actuarial Reduction	<u>(\$6,750)</u>
= Eligible Chronic Care benefit	\$30,750

There are no Paid-Up Additions*, certificate debt or unpaid premiums.

* If the Paid-Up Additions dividend option is chosen, annual dividends can be used to purchase paid-up additional (PUA) insurance. PUAs add to the certificate’s death benefit and total cash value. If this option is chosen, the additional insurance will also receive dividends. In this example, **Charles did not choose the PUA option. If he had accumulated paid up additions, the Eligible Amount for the Chronic Care Benefit would be greater.**

Dividends are not guaranteed. Certificate owners are eligible to begin receiving dividends beginning on the 2nd certificate anniversary.



Key Terms

Below are important definitions to help you better understand how the Chronic Care Benefit works.

Activities of Daily Living (ADLs)

- **Bathing:** the washing of oneself by sponge bath, or in either a tub or shower, including the task of getting in or out of the tub or shower.
- **Continence:** the ability to maintain control of bowel and bladder function; or, when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for a catheter or colostomy bag).
- **Dressing:** putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.
- **Eating:** feeding oneself by getting food to the body from a receptacle (such as a plate, cup or table) or being fed by a feeding tube or intravenously.
- **Toileting:** getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.
- **Transferring:** moving into or out of a bed, chair, or wheelchair.

Severe Cognitive Impairment is the deterioration or loss of intellectual capacity which requires substantial supervision and is comparable to, and includes, Alzheimer's disease and similar forms of irreversible dementia, resulting in a deficiency in the insured's ability to function normally:

- Short or long term memory.
- Orientation as to person (such as the person's identity), place (such as the person's location) and time (such as day, date and year).
- Deductive or abstract reasoning.
- Judgment as it relates to safety awareness.

Hands-On Assistance is the physical assistance of another person without which the Insured would be unable to perform an Activity of Daily Living.

Qualified Medical Practitioner is any licensed medical practitioner, other than the Insured, the Certificate owner, or an Insured's household or family member.

Stand-By Assistance is the presence of another person within arm's reach of the Insured that is necessary to prevent, by physical intervention, injury to the insured while the insured is performing the Activities of Daily Living.

Substantial Assistance is hands-on assistance or stand-by assistance.

Substantial Supervision is the continual supervision by another person to protect a person with a severe cognitive impairment or others from threats to health or safety (such as may result from wandering). Such supervision may include cueing by verbal prompting, gestures or other similar demonstrations.

About MassMutual

At MassMutual, our belief in financial wellness has connected our company to our customers for more than 168 years. That's why we offer easy-to-understand protection solutions that can help drive better short and long-term financial outcomes for you and your loved ones.

If you have questions or want to find out more about the Chronic Care Benefit, contact your MassMutual representative.

Learn more at www.MassMutual.com.

¹ In the states of Kansas and Minnesota the Actuarial Reduction is referred to as "Actuarial Discount."

² The Chronic Care Benefit is intended to receive favorable tax treatment under Section 101(g) of the Internal Revenue Code. Based upon the current tax code, benefits provided by this Endorsement may be taxable if the Insured is not the certificate owner, the spouse of the certificate owner, or the dependent child of the certificate owner. Certificate owners should seek tax advice from their tax advisor prior to requesting a Chronic Care Benefit payment.

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.

The products and/or certain features may not be available in all states. State variations may apply.

Group Whole Life Insurance (GPWL), (policy/certificate forms MM-GPWL-2014 and MM-GCWL-2014, and MM-GPWL-2014 (NC) and MM-GCWL-2014 (NC) in North Carolina), is level-premium, participating permanent life insurance. The GPWL policy and GCWL certificates are issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001.

Group Universal Life Insurance (GPUL), (policy/certificate forms MM-GPUL-2015 and MM-GCUL-2015, and MM-GPUL-2015 (NC) and MM-GCUL-2015 (NC) in North Carolina), is flexible premium, non-participating permanent life insurance. The GPUL policy and GCUL certificates are issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001.

