

Social Security Income Replacement

Protecting your standard of living in retirement

Many retired couples will rely on Social Security retirement benefits for guaranteed income to help maintain their basic standard of living. When one of them dies, the total monthly benefit to the surviving spouse will be reduced. This loss of income may impact the financial security of the surviving spouse.

Whole life insurance can help replace the value of benefit reductions at death and provide additional financial resources for a surviving spouse. Consider the following example:

Meet Greg and Christina Anderson

Greg and Christina are ages 66 and 64 respectively and will retire in a few months. Both will be eligible for Social Security retirement benefits. Greg will receive a monthly benefit of \$2,650, and Christina's will be \$2,350, for a total of \$5,000. This \$60,000 in annual income is enough to cover their basic living expenses and will allow them to use their other retirement savings for discretionary spending to enjoy retirement.

What Happens When One of Them Passes Away?

Let's assume that Greg dies at age 78. Under the provisions of Social Security, Christina will receive a survivor benefit equal to the greater of the couple's benefits. This means Christina, now age 76, will receive \$2,650 as a monthly survivor benefit. She will lose \$2,350 of their combined monthly benefit, an income reduction of \$28,380 annually.

Christina will lose over 47% of the total Social Security benefits they were receiving as a couple.

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.

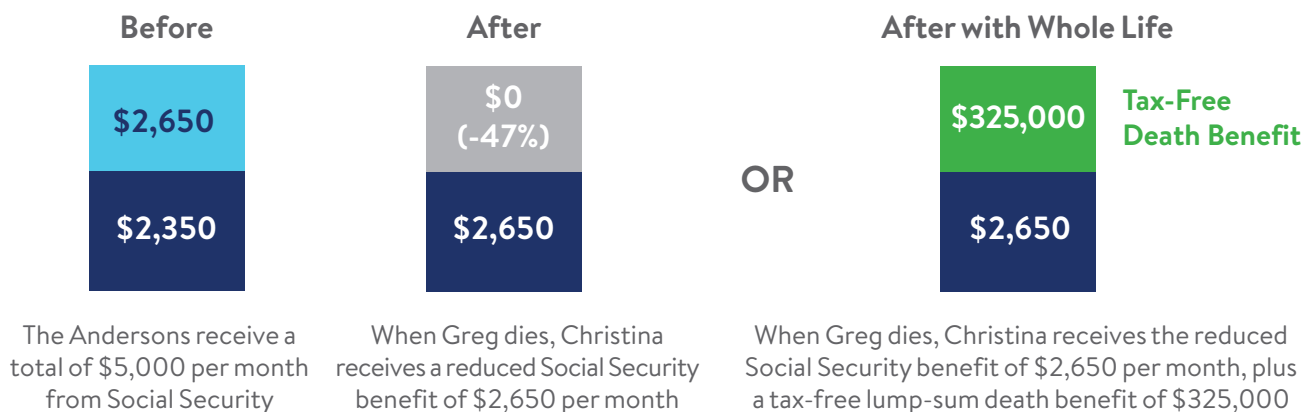
The decision to purchase life insurance should be based on long-term financial goals and the need for a death benefit. Life insurance is not an appropriate vehicle for short-term savings or short-term investment strategies. While the policy allows for loans, you should know that there may be little to no cash value available for loans in the policy's early years.



How Could the Andersons Have Protected Against the Loss of Social Security Income?

If Greg had whole life insurance with a \$325,000 death benefit when he died at age 78, it would largely replace the value of Christina's lost Social Security income. It would also provide additional financial resources for her during a time of significant change in her life.

BENEFITS BEFORE AND AFTER GREG DIES



If Christina predeceases Greg, he will face the same problem. To ensure that his lifestyle would not be affected, they would need similar life insurance coverage on her.

Planning Ahead with Whole Life Insurance

Planning ahead can make a big difference. The earlier you purchase whole life insurance, the lower your premiums will be. You may also select a policy that will be paid-up by the time you retire, so no additional premiums will be due.

MassMutual whole life policies are participating, which means they are eligible to receive annual dividends. While dividends are not guaranteed, MassMutual has paid them every year since 1869. Policy dividends can be used to increase your life insurance protection and policy cash value over time.

Ask your financial professional for a whole life policy illustration based on your situation and protection needs.

The future of Social Security is uncertain. Social Security legislation may change over time. The preceding information is based on the policies in place when this brochure was printed and assumes the individual is qualified to receive benefits.

Participating whole life insurance policies issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001.

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