

massmutual@work<sup>SM</sup>

Individual Disability Income Insurance

Recruit  
and retain  
top talent

 MassMutual



## The disability divide

As companies compete for top talent, the benefits offered to this group of employees can become key to attracting and retaining the best people. Employer provided Long-Term Disability (LTD) policies typically don't cover bonuses or incentive compensation, which can create a disability income gap for top performing, highly compensated employees. An illness or injury that prevents these executives from working could cause them to lose a sizable portion of their income.

Employer-paid individual disability income insurance from MassMutual can add to your employee benefits program\* by helping to attract top talent and reducing a potential disability income gap for highly compensated employees. It involves minimal administrative time to implement and maintain.

Another option to consider is cost-free for your company—voluntary individual disability income insurance. An insurance offer can be designed specific to your company, and your employees' personal income protection needs.

\* NOTE: There may be implications under the Employee Retirement Income Security Act ("ERISA") depending on how disability income insurance policies are made available to the employees and whether such an arrangement constitutes an "employee benefit plan" under ERISA. Employers should consult their own tax and legal advisors for further information on potential ERISA implications.



## Meet Lauren...

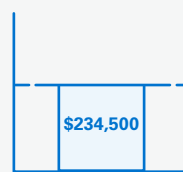
See why she needs to protect a sizable portion of her income.



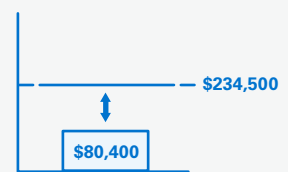
Lauren is a successful sales person. She leads an active life and always exceeds her sales goals.



Her annual base salary is \$250,000 but she consistently earns another \$100,000 in bonuses.



Her annual net income is \$234,500 and she has a group LTD plan that covers 60% of her base income (up to \$10,000/mo).



The company group LTD plan will only cover \$80,400 on an after-tax basis, leaving a sizable income gap.

**Lauren can protect a greater portion of her total income with individual disability income (DI) insurance from Massachusetts Mutual Life Insurance Company (MassMutual).<sup>1</sup>**

The above example assumes an effective tax rate of 33% and a group LTD plan paid for by the employer that provides up to \$10,000 of gross benefit per month (\$80,400 net, annually).

<sup>1</sup> This individual disability income insurance does not coordinate with group long-term disability coverage. Claim decisions are rendered independent of each other.



## Protecting their most valuable asset—income

Making individual disability income insurance from MassMutual available to your highly compensated employees can reduce the financial risks that disability poses.

### For your company

- Discounts off MassMutual's standard unisex rates.
- Differentiate your reward package for retaining and recruiting top talent.
- Help protect highly compensated employees whose benefits are limited by a group LTD plan maximum.
- Guaranteed standard issue—MassMutual will guarantee to offer your employees a policy at standard rates, provided they meet the eligibility criteria outlined in the underwriting proposal.

### For your employees

- Covers a portion of variable performance pay, which can be 50% or more of an executive's compensation.
- Simplified underwriting—answering a few simple questions determines eligibility vs. full medical underwriting if they were to buy disability income insurance on their own.
- Non-cancellable coverage to age 65 (premiums must be paid on time).
- The policy is portable so employees can take their policy with them, including premium discounts, if they change employers.<sup>1</sup>
- Flexible coverage offer allows employees to reduce the monthly benefit amount to meet their coverage objectives.

<sup>1</sup> Coverage increases issued under the policy's Right to Apply for Additional Monthly Benefits with Full Underwriting provision will not carry the discount if a new policy must be issued.

# Riders

To help your employees personalize the policy to meet their financial needs, we offer a number of optional riders.<sup>2,3</sup>

Catastrophic Disability Benefit Rider (CAT) <sup>4</sup>	The CAT Rider provides benefits for a catastrophic disability, as defined in the rider, to cover up to 100% of pre-disability earned income when combined with a base policy.
Cost Of Living Rider (COLA)	The COLA Rider helps benefits keep pace with inflation in the event of a disability lasting longer than 12 months. Increases start to accrue after the insured is disabled for 12 months, or the full waiting period, whichever is longer. Increases are compounded at 3% and there is no limit to the number of adjustments that may be made under the COLA Rider.
Extended Partial Disability Benefits Rider (EPR)	<p>The EPR Rider provides partial disability benefits if the insured, while still disabled, works at his/her regular occupation, or a new occupation, but in a reduced capacity due to their sickness or injury. To qualify for benefits, during the first 6 months of partial disability (including the waiting period or thereafter), the insured must have:</p> <ul style="list-style-type: none"><li>• a minimum 15% loss of time; or</li><li>• a minimum 15% loss of income; or</li><li>• the ability to do some, but not all, of the main duties of their occupation.</li></ul> <p>After 6 months of partial disability, the insured must have a minimum 15% loss of income.</p> <p>The Extended Partial Disability Benefits Rider also includes a recovery benefit. After a period of total disability or partial disability payments, a recovery benefit will be paid provided the insured's loss of income is at least 15% of pre-disability income, and there is a direct relationship between the insured's loss of income and the previous disability. The recovery benefit will be paid through the 6th month following the insured's full recovery and return to work.</p> <p>MassMutual will periodically evaluate the direct relationship between the insured's loss of income and the previous disability. We will continue to make monthly payments as long as the insured's loss of income is at least 15% of pre-disability income and there is a direct relationship between the insured's loss of income and the previous disability. Monthly payments will not exceed the maximum benefit period for partial disability.</p>
Group Supplement Rider (GSR)	<p>The GSR Rider provides partial disability benefits to supplement group benefits provided by an employer.</p> <ul style="list-style-type: none"><li>• Coverage A (partial) provides a benefit when the insured is partially disabled, under a doctor's care, working at his/her own occupation, and suffers an income loss due to the disability of at least 15% of pre-disability income.</li><li>• Coverage B (proportionate) provides a benefit when the insured is partially disabled, under a doctor's care, working in a new occupation for which he/she is reasonably suited by education, training and experience, and has an income loss due to disability of at least 15% of pre-disability income (not available with the Own Occupation Rider).</li></ul>
Own Occupation Rider (Own OCC)	The Own OCC Rider provides a monthly benefit if, due to a disability, the insured cannot perform the main duties of his/her occupation and is working in another occupation. The insured must be under a doctor's care.
RetireGuard <sup>®</sup> Rider	<p>The RetireGuard Rider can help replace up to 100% of an amount equal to the retirement plan contributions, including both employee's and employer's contributions, that would have been made to the employee's eligible defined contribution plan if the employee had not become totally disabled. It is not a retirement plan, nor a substitute for one.</p> <p>When insured with RetireGuard, during a period of total disability MassMutual will pay benefits into an irrevocable trust. Benefits are not paid into an employer-sponsored retirement plan. The trust offers different investment options so that a client can select the option that best meets his/her retirement goals. Trust services are provided by The MassMutual Trust Company, FSB, a wholly-owned subsidiary of MassMutual.</p>

2 All riders are offered at an additional cost and terminate on the policy anniversary date or the next, following the insured's 65th birthday.

3 The information is only a brief description and does not include all terms and conditions for payment of benefits. Refer to the riders for complete details of coverage. If there is a conflict between the information provided and the actual rider, the terms of the rider will govern.

4 CAT Rider is not available in CT.



## Engagement made simple

We get the importance of employee enrollment and participation. Our integrated enrollment campaign includes customized messages designed for different life stages and coverage needs of employees.

## Getting started

For a no-obligation estimate for adding individual disability income insurance from MassMutual to your employee benefits package, please provide a high-level employee census and your current group LTD booklet.

## Quick facts

48% of human resource managers believe their companies have a responsibility to help employees protect their incomes from the risk of disability.<sup>5</sup>

More than 1 in 4 of today's 20 year-olds will become disabled before retirement age.<sup>6</sup>

<sup>5</sup> 2013 Employer perspectives on disability benefits study, MassMutual and the Society for Human Resource Management.

<sup>6</sup> U.S. Social Security Administration, Fact Sheet dated March, 2016.

## A trusted leader



With over 160 years in the insurance industry, including over 50 years of offering disability income insurance, we have a long history of remaining financially strong during changing market conditions. Our financial strength ratings<sup>7</sup> are among the highest of any company in any industry.



We created massmutual@work<sup>SM</sup> to reach more people with the products, guidance, and tools they need to secure their financial future, and protect the ones who matter most. As a recognized leader in workplace solutions, we are committed to helping you do more for your employees.



As a mutual company, MassMutual does not have shareholders. The company is managed with the long-term interests of its members and policyowners in mind, and we work every day to make decisions to help them meet their financial needs in the future.

[For more information, go to massmutual.com.](https://www.massmutual.com)

<sup>7</sup> Financial strength ratings are as of 12/1/16: A.M. Best A++; Fitch AA+; Moody's Aa2; Standard & Poor's AA+. Ratings are for MassMutual (Springfield, MA 01111) and its subsidiaries, C.M. Life Insurance Company and MML Bay State Life Insurance Company (Enfield, CT 06082). Ratings are subject to change.



We'll help you get there.®

MaxElect is not available in California.

MaxElect (Policy Form ICC13XLSME, XLS-ME-04 and XLS-ME-13 (ICC13XLSME in North Carolina) is issued by Massachusetts Mutual Life Insurance Company (MassMutual), Springfield, MA 01111-0001. Policies have exclusions and limitations. Policies may vary in some states.

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 61.0 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.

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