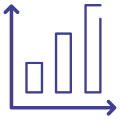
Keep more of your retirement income, so you can enjoy more of your retirement.

Tax diversification through life insurance can help.

It’s your retirement—protect it.

Whether it’s lying on a beach, golfing with your buddies, or rediscovering why you married your spouse, everyone has their own idea of a perfect retirement. At New York Life, we want to help make your retirement dreams come true.

It’s not what you make, but what you keep.

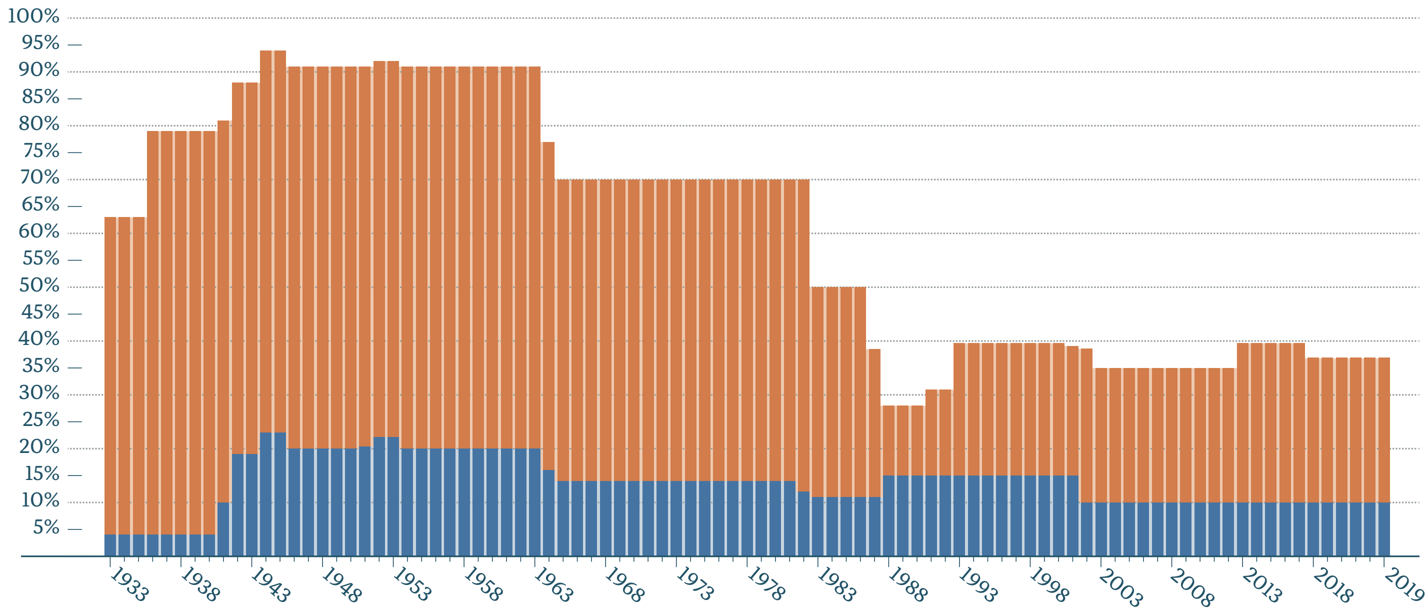


Chances are you’ve heard the expression, “It’s not what you make, but what you keep.” It’s something that’s worth remembering—especially as you prepare for retirement—because it helps reinforce the impact that taxes can have on your lifestyle and savings.

[1]The primary purpose of life insurance is to provide a life insurance benefit. You can access cash value via loans or withdrawals through surrenders. When accessing cash value via loans, the total outstanding loan balance (which includes accrued loan interest) reduces your policy’s available cash surrender value and life insurance benefit. The amount you borrow will accrue interest daily. When taking a withdrawal through surrenders, you are surrendering any available paid-up additional insurance for its cash surrender value. This means that your policy's cash value, available cash surrender value, and death benefit will be reduced by the amount of the withdrawal. Policy values are in part based on non-guaranteed factors, such as dividends and interest rates, which are subject to change. Therefore, the supplemental retirement income is not guaranteed.

Where do you think tax rates are headed?

Right now, taxes are near their historic lows. While we'd all like to think they'll remain that way, odds are rates will eventually start to rise. How high? No one knows for sure, but even the most incremental increase is likely to make a difference in the amount of money you have available in retirement.



The graph above illustrates the high and low marginal tax rates over history. Exemptions, deductions, and state and local taxes are not taken into account when illustrating these marginal tax rates. Your actual tax rates may vary from those shown on the graph. Remember that historical rates are not a guarantee of future rates. Source: http://taxfoundation.org/article/us-federal-individual-income-tax-rates-history-1933-2019-nominal-and-inflation-adjusted-brackets

Income is critical to your quality of life.

When it comes to retirement, income is king. That's why it's so important to make the most out of your income-generating assets. Typically, the income you receive from these assets falls in to three tax categories: Taxable, Tax Deferred, or Tax Free. That's where tax diversification comes in.

Taxable

1099 now

Tax Deferred

1099 later

Tax Free*

1099 never

*Certain interest, although exempt from federal income tax, may still be reportable to the IRS and, in certain circumstances, may be subject to the alternative minimum tax (AMT).

You diversify your assets...why not your income?

In the investment world, diversification is a practice that reduces overall market risk by distributing assets into multiple categories. It works much the same with retirement income, only in this case diversification reduces the risk taxes may pose to your lifestyle.

Whole life insurance: a tax-efficient source of retirement income.

While the purpose of whole life insurance is to give your family financial protection in case you pass away, the cash value it generates can be used to provide supplemental income in retirement. Best of all, this income is usually tax free, making it one source of tax-free income to consider.[1,2]

Diversifying your future income sources may provide more income to use during retirement. Below is a general example of how that diversification may look.

Without tax diversification **With tax diversification**

[2]Please refer to the back page for this footnote reference.

With tax diversification, you may be able to keep more of your money.

As the example shows, dedicating some assets to the tax-free income category means that you may ultimately have more money to use in retirement.[1] And the higher tax rates go, the more advantageous this strategy may become.

Retirement income of **$100,000**

Without Tax Diversification	$100,000 401(k)/qualified plans	100% taxable	$100,000 taxed at 22%[3]	= $22,000 tax	**$78,000** to spend after taxes
Tax Diversification Strategy	$50,000 401(k)/qualified plans	100% taxable	$50,000 taxed at 12%[3]	= $6,000 tax	**$94,000** to spend after taxes
	$50,000[4] cash value life insurance	tax free[5]	$50,000 taxed at 0%[5]	= $0 tax	

Hypothetical example of an approach to tax diversification for illustrative purposes only. This does not represent the performance of any particular product. Your actual results will vary and may be more or less favorable.

What you do today, can lower your taxes tomorrow. Let's get started.

[3] Assumed marginal federal income tax bracket under current rates. Assumption includes state and other local taxes in addition to the federal income tax.
[4] As stated earlier, accessing the cash value through loans or withdrawals (i.e., partial surrenders) will reduce the available cash surrender value and life insurance benefit. Loans accrue interest. Policy values are in part based on non-guaranteed factors, such as dividends and interest rates, which are subject to change. Therefore, the supplemental retirement income is not guaranteed.
[5] If structured properly. Policy loans and withdrawals will reduce the life insurance benefit and may cause the life insurance policy to lapse.

[2]Certain tax advantages are no longer applicable to a life insurance policy if too much money is put into the policy during its first seven years, or during the seven-year period after a “material change” to the policy. If the cumulative premiums paid during the applicable 7-year period at any time exceed the limits imposed under the Internal Revenue Code the policy becomes a “Modified Endowment Contract” or MEC. A MEC is still a life insurance policy, and death benefits continue to be tax free, but any time you take a withdrawal from a MEC (including a policy loan), the withdrawal is treated as taxable income to the extent there is gain in the policy. In addition, if you are under 59½, a penalty tax of 10% could be assessed on those amounts and upon surrender of the policy.

Taxpayers should always seek and rely on the advice of their own independent tax professionals. Please understand that New York Life Insurance Company, its affiliates and subsidiaries, and agents and employees of any thereof, may not provide legal or tax advice to you.

The Whole Life policy form number is ICC18217-50P (4/18).

New York Life Insurance Company

New York Life Insurance and Annuity Corporation
(NYLIAC) (A Delaware Corporation)

51 Madison Avenue
New York, NY 10010

www.newyorklife.com

14433.082020 SMRU1789683 (Exp.09.01.2022)