MassMutual

Worksite Stronger.

Reducing the Stress of a Chronic Illness

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

The Accelerated Death Benefit for Chronic Illness (Chronic Care Benefit) is not a health insurance certificate providing long-term care insurance subject to the minimum requirements of New York Law, does not qualify for the New York State Long-Term Care Partnership Program and is not a Medicare supplement certificate. Accelerating the payment of your policy death benefit under the Chronic Care Benefit may affect your eligibility for public assistance programs.

FOR EMPLOYERS. NOT FOR USE WITH EMPLOYEES.

Today's workforce expects more from their benefits. In fact, benefits can be a key part of an employee's total compensation.[1] But benefits can be costly to offer, so now there's a cost-effective way to give employees an additional benefit that helps guard against unexpected life events.

MassMutual has added the **Chronic Care Benefit, a new feature** automatically available on all new and existing group life insurance certificates. The Chronic Care Benefit gives your employees the ability to receive a one-time advance, or acceleration, of a portion of their death benefit that is paid in a lump sum.[2] This benefit can help deal with the additional costs that having a Chronic Illness can bring on. It is available at no additional cost to you — and your employees pay a fee only if they use the benefit. This accelerated benefit is neither long-term care insurance nor nursing-home care insurance, and may be used for any purpose.[3]

What Qualifies as a Chronic Illness?

A Licensed Health Care Practitioner must certify that the Insured has a Chronic Illness. Chronically Ill means the Insured requires continuous care for the remainder of their lifetime either at home or in an eligible facility (e.g., skilled nursing home) as a result of:

- Being unable to perform, without substantial assistance, at least two (2) Activities of Daily Living (eating, toileting, transferring, bathing, dressing, and continence) for a period of 90 consecutive days, due to loss of functional capacity, or having a comparable level of disability; or
- Severe cognitive impairment requiring substantial supervision to protect the insured from threats to health or safety.

Employees are Stressed. How Can You Help?

It's no secret that people spend a lot of time thinking about their finances. Health issues impacting employees cost employers billions annually in higher health care costs, lower productivity, and lost wages.[4] Paying for future health care costs weighs heavily on everyone's minds. Many wonder how they will be able to cover expenses if they become Chronically Ill.

[1] Indeed, June 2025. "Why are Employee Benefits Important? Types and Advantages" https://www.indeed.com/career-advice/career-development/why-are-employee-benefits-important

[2] Accessing the cash value and/or an acceleration of the death benefit will reduce the certificate's death benefit, any cash value, and any loan values. The certificate's premium payments will be based on the reduced amount of insurance at the current rate. **There is no premium required for this benefit; however, there is a fee (referred to as an actuarial discount in the endorsement) if the provision is exercised.**

[3] The Chronic Care Benefit is not intended to be a qualified long-term care insurance contract under section 7702B of the Internal Revenue Code. It does not provide for long-term care insurance or for nursing-home insurance and is not conditioned on the receipt of long-term care or medical services. The Chronic Care Benefit payment may be taxable. The Chronic Care Benefit is intended to receive favorable tax treatment under Section 101(g) of the Internal Revenue Code (26 U.S.C. Sec 101(g)). Accessing other similar benefits may cause the per diem limit to be exceeded. **You should seek tax advice from your personal tax advisor prior to requesting a Chronic Care Benefit payment**.

[4] CDC Chronic Disease, August 2025. Fast Facts: Health & Economic Costs of Chronic Conditions.

How the Chronic Care Benefit Helps Your Employees

The Chronic Care Benefit can reduce some of this stress on your employees and their families by allowing them to accelerate the benefits of their life insurance certificate if the Insured is certified as having a Chronic Illness. Here's how it works:

- The benefit requires certification that the Insured has a Chronic Illness by a Licensed Health Care Practitioner.
- There are no conditions on how the certificate owner spends the money. The benefit may be applied to pay for better medical care, hire in-home care, make home modifications, pay for transportation to medical appointments, or pay medical claims—anything that can help the Insured live more comfortably.
- If you choose, group life insurance certificates insuring spouses, partners, and dependent children* for your plan, the Chronic Care Benefit is included.

*Children must be dependent based on Federal tax rules.

- The certificate owner receives the benefit payment in a lump sum.[2, 3, 5]
  - **For Group Whole Life:** The Eligible Amount for the Chronic Care Benefit is 50% of the sum of the certificate face amount plus any paid-up additions (the “Eligible Amount”). The Chronic Care Benefit payment, is the Eligible Amount, minus the sum of: the fee,[6] plus any due and unpaid premiums, and 50% of any certificate debt outstanding.[7]
  - **For Group Universal Life:** The Eligible Amount for the Chronic Care Benefit is 50% of the face amount less the amount of any withdrawals[8] taken in the prior 12 months (the “Eligible Amount”). The Chronic Care Benefit payment is the Eligible Amount, minus the sum of: the fee,[6] plus any unpaid premium amount needed to avoid certificate termination under the grace period provision, and 50% of any certificate debt outstanding.
- 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. Certificate owners who have exercised the Terminal Illness Benefit cannot use the Chronic Care Benefit. However, the Terminal Illness Benefit will still be available on the remaining face amount after a Chronic Care Benefit payment has been made.
  - **These benefits are not long-term care insurance, nursing-home insurance, home-care insurance, or long-term care insurance provided under New York’s Partnership for Long-Term Care Program and 50% of any certificate debt outstanding.**
  - **Accelerating the payment of your certificate death benefit under either the Accelerated Death Benefit for Terminal Illness or the Accelerated Death Benefit for Chronic Illness may affect your eligibility for public assistance programs and may be taxable. Consult with your tax advisor when accelerating these benefits.**

MassMutual’s Chronic Care Benefit Design Puts Your Employees First.

Some life insurance plans require the accelerated benefit to be paid in small percentages of the total amount over a number of months. At MassMutual, our Chronic Care Benefit allows acceleration of the entire benefit in one payment.

[5] For both the Group Whole Life and Group Universal Life certificates, the benefit will be capped based on the per diem benefit permitted under IRC 7702 B(d) (4). If this cap applies, we will calculate a new percentage, which will be less than 50%, for the Eligible Amount for the Chronic Care Benefit necessary so that the resulting Chronic Care Benefit payment does not exceed the per diem benefit permitted.

[6] There is a fee (referred to as the actuarial discount in the certificate) to exercise the Chronic Care Benefit. The fee is a percentage of the Eligible Amount for the Chronic Care Benefit and is determined based on the Insured’s age at the time the benefit is approved to be exercised: 18% for ages 45 and above; 27% for ages 44-35; 36% for under age 35.

[7] If the certificate is in force as paid-up life insurance, the Chronic Care Benefit is still available. In this instance, the Eligible Amount is 50% of the amount of paid-up life insurance plus any paid-up additions. The Chronic Care Benefit is the Eligible Amount minus the sum of: the fee and 50% of any certificate debt outstanding.

[8] Withdrawals are not available for certificates issued on or after 1/1/2020.

How the Chronic Care Benefit Can Help

Meet Haley

- Haley is 44 years old, and through work she has a $50,000 Group Whole Life certificate with the Chronic Care Benefit. Her annual level premium is $984.
- Ten years later, Haley takes a $5,000 loan out on her certificate.
- That same year, at age 54, Haley is certified as being Chronically Ill and exercises the benefit. She does not have any unpaid premiums.
- She receives a Chronic Care Benefit payment of $18,000. Haley can use the money any way she likes. She intends to use some of it to meet her medical expenses and to make necessary home modifications. Her certificate debt is reduced by 50% after her repayment from $5,000 to $2,500.
- The remainder of her Group Whole Life certificate — $25,000 — stays in full force at a level annual premium of $516, based on the new face amount.

Here is how Haley's benefit is calculated:

Eligible Amount	$25,000*
18% fee	- $ 4,500
50% Outstanding Loan	- $ 2,500
Chronic Care Benefit payment	**$18,000**

*If the certificate owner chooses the Paid-Up Additions dividend option, 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, Haley did not choose the PUA option. If she 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 second certificate anniversary.

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A Win-Win for Your Company and Your Employees

The Chronic Care Benefit enhances your company's group voluntary benefits by offering your employees added protection they can count on in the future.

EMPLOYER	EMPLOYEE
Offers a simple, cost-effective solution for employees' chronic illness care concerns.	The benefit is automatically included in the certificate.
43% percent of employees are very satisfied with their overall workplace benefits packages.[9]	The certificate owner receives the benefit payment in a lump sum.
Reducing employee health concerns can lead to increased employee productivity.[10]	The benefit paid can help cover extra expenses associated with a Chronic Illness.
The additional feature enhances your benefits package and may help you attract and retain top talent.	There are no conditions on how the money is spent.
No additional costs.	No additional premium. A fee[5] only applies if the benefit is exercised.
Address needs of a multi-generational workforce.	If you choose to make group whole life certificates available to spouses, partners, and dependents in your plan, the Chronic Care Benefit is included in the coverage.

To learn more, visit
MassMutual.com/retirement/worksite-benefits
or talk to your benefits representative.

[9] LIMRA, 2024 BEAT Study.

[10] CDC Workplace Health Model, Public Health, July 2024. https://www.cdc.gov/workplace-health-promotion/php/model/index.html

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:

- 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; or
- 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.

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.

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ONLY FOR USE IN NY.

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.

Group Whole Life Insurance (GWL), (policy/certificate forms MM-GPWL-2014(NY) and MM-GCWL-2014(NY)(Rev.18) is level premium, participating permanent life insurance. The GPWL policy and GCWL certificates are issued by Massachusetts Mutual Life Insurance Company (MassMutual), Springfield, MA 01111-0001.

Group Universal Life Insurance (GUL), (policy/certificate forms MM-GPUL-2015(NY) and MM-GCUL-2015(NY)(Rev.18.1) is flexible premium, non-participating permanent life insurance. The GPUL policy and GCUL certificates are issued by Massachusetts Mutual Life Insurance Company (MassMutual), Springfield, MA 01111-0001.

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