

A well-rounded approach to college funding.

A whole life policy can supplement your college savings plan and help provide flexible options.

A 529 plan can be a great way to save for a child's education, offering a number of financial benefits, including generous contribution limits, favorable state tax treatment for state residents, tax-deferred growth, and tax-free distribution, when used for qualifying expenses. It also offers a number of investment options within the plan, so you can take advantage of professional money management for potential growth. But despite these benefits, there are limitations.

A whole life policy can help.

Relying exclusively on a 529 plan to save for college has certain drawbacks. Let's take a look at some of the ways a whole life policy can supplement your college savings.

What if...	529 plan	How a whole life policy can help...
You pass away before your child goes to college?	Contributions may stop, leaving a shortfall.	A guaranteed death benefit can help your family cover the costs of college. ¹
Your child doesn't attend college? Your child earns a scholarship and you don't need the money for college? You need money for something other than qualifying educational expenses?	<p>You can withdraw money from your plan, but your earnings will be taxed and you will incur a 10% federal penalty tax and possibly state or local tax penalties as well.</p> <p>If a designated beneficiary does not go to college, or money remains unused, the parent or account owner can change the beneficiary. The IRS rules are extremely flexible and allow the beneficiary to be changed to any immediate family member, or any descendant of the original beneficiary.</p>	<p>The cash value that has grown tax-deferred can be accessed through a policy loan* and used however you see fit. Keeping your policy current allows your cash value to continue to grow and maintain your guaranteed death benefit.</p> <p>* The cash value in a life insurance policy may be accessed through policy loans, which accrue interest at the current policy rate, and partial surrenders. Loans and surrenders will decrease the total death benefit and total cash value. There may be adverse tax implications for a policy classified as a modified endowment contract (MEC) or if the amount of your loans and/or partial surrenders exceeds the cost basis of the policy. In addition, certain partial surrenders from a policy that is not classified as an MEC and that are made within the first 15 years after it is issued may be fully or partially taxable. Distributions, including loans, from an MEC are taxable to the extent of the gain in the policy and may also be subject to 10% additional tax if the owner is under age 59½.</p>

What if...	529 plan	How a whole life policy can help...
The market tanks right when you need access to your money?	Your 529 plan is subject to investment and market risks, so a downturn in the market can leave you with less funds than you need.	Whole life is not an investment and is not affected by market fluctuations, offering a secure addition to your college funding portfolio.
You want to do more to be prepared for the cost of college?	Your plan offers limited options.	Whole life represents an alternative by providing guaranteed cash value.
You plan to apply for financial aid?	The amount you have saved is factored into financial aid decisions.	The cash value that builds in a life insurance policy is not typically factored into financial aid decisions.

Save for your child's education or your retirement?

Why not both? A whole life policy offers security and flexibility in your long-term financial planning. It provides a safety net during your working years while building cash value that you can access. If you don't need to access your cash value to pay for college, you will have accumulated funds that you can use however you decide, even to help supplement your retirement. And even if you do use some of the cash value for college, your remaining cash value will continue to grow and your policy will remain in effect as long as you continue to pay the premiums. Plus, your New York Life Whole Life policy is eligible to earn dividends when they're declared.²

If you need help with your college funding plans, your NYLIFE Securities Registered Representatives would be happy to help you find a smart strategy that is right for you.

A whole life policy involves insurance fees and charges, while a 529 plan does not. However, a 529 plan involves investment fees and charges. A whole life policy involves the risk of lapse, in which case the insured would lose the insurance benefit.

In Oregon, the policy form number for New York Life Whole Life is ICC17217-50P

¹ All guarantees are based on the claims-paying ability of the issuer.

² Dividends are not guaranteed.

A 529 plan investor should consider the program's investment objectives, risks, charges, and expenses before investing. The program disclosure statement, available through your financial professional, contains more information, and should be read carefully before investing. Before investing, investors should consider whether their home states offer 529 plans that provide state tax and other benefits only available to state taxpayers investing in such plans.

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AR08341.052018 SMRU1688288 (Exp.06.04.2020)