

# Understanding the GUL Cash Fund

## Get more out of your life insurance coverage

Did you know that, in addition to life insurance protection, your Group Universal Life (GUL) insurance coverage allows you to build cash value by making after-tax contributions to the GUL policy's cash fund? The cash fund is what makes GUL coverage different from other life insurance products. When you contribute to your GUL cash fund, you may benefit from tax advantages and a number of flexible options.

### Keep more money for yourself

The money you contribute to your GUL cash fund earns a competitive interest rate that is guaranteed<sup>1</sup> not to fall below a certain minimum and interest accrues on a tax deferred basis<sup>2</sup>.

### Flexible options for today and tomorrow

The GUL coverage and cash fund offers options that can help you reach your short-term goals and long term financial security. With the GUL cash fund you can:

- Choose the amount you wish to contribute on a regular basis through payroll deduction and/or make a lump sum contribution.
- Access your cash fund – for any reason – through loans and withdrawals. There are generally no penalties for withdrawals, and there is no time limit on loan repayments as long as you have adequate cash value in your cash fund.<sup>3</sup>
- At retirement, use your cash fund to pay cost of insurance charges for your life insurance coverage, exchange your cash fund for an annuity, elect paid up insurance, or receive a lump-sum payment.
- What's more, your beneficiary(ies) will receive both your life insurance benefit and any money in your cash fund generally income tax-free.<sup>4</sup>

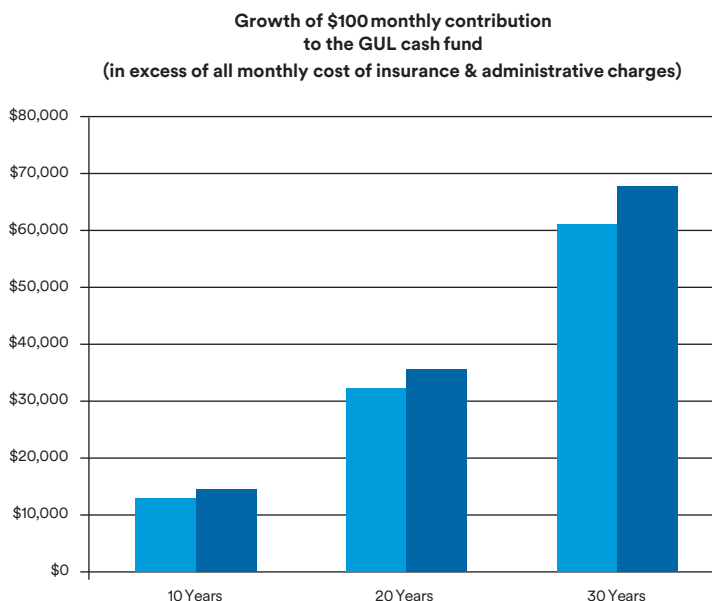
For Example: After 30 years, a monthly contribution of \$100 can accumulate in the cash fund to \$68,750 - bringing a \$100,000 death benefit to \$168,750

### Contributions can accumulate over time

The chart below shows how a monthly contribution of \$100 to the cash fund (in excess of all monthly cost of insurance and administrative charges) can grow over time. You can contribute whatever amount is right for you. The chart shows two different, yet possible, cash fund scenarios.

**Scenario 1:** The light blue bar shows an accumulation scenario that represents the minimum that would be guaranteed under the conditions specified. It assumes the maximum possible expense charge of 10% and the minimum guaranteed interest rate of 4% credited to the cash fund.

**Scenario 2:** The GUL plan currently has no expense charge, and contributions to the cash fund are being credited with the minimum guaranteed interest rate of 4%.<sup>1</sup> The dark blue bar shows an accumulation scenario more closely aligned with your GUL program because it assumes a minimum guaranteed interest rate of 4% credited to the cash fund and no expense charge.



- Cash Value (based on a minimum guaranteed 4% interest rate, maximum expense charge of 10% and monthly payment of all cost insurance and administrative charges)
- Cash Value (based on a minimum guaranteed 4% interest rate, 0% expense charge and monthly payment of all cost insurance and administrative charges)

As the cash fund grows, you may withdraw some or all of the cash. Generally, there is no penalty for withdrawals and no tax due unless total withdrawals exceed premium paid.<sup>3</sup>

## Life insurance coverage that meets your changing needs

As you consider the GUL cash fund, take a moment to think about your GUL coverage – is it keeping pace with your changing needs? Consider life events, such as:

- Change in marital status
- Birth or adoption of a child
- College education
- Care of an elderly family member
- Purchase of a new home

When these life events occur, it may be appropriate to review life insurance coverage with a financial advisor. One available tool is the MetLife Life Insurance Calculator at [www.metlifeeasier.com](http://www.metlifeeasier.com).

**If you wish to contribute to the GUL Cash Fund and make monthly contributions, be sure to complete the appropriate section on your Enrollment Form.**

1. The current crediting rate on the interest-bearing account is subject to change without notice but will not fall below the guaranteed minimum in your certificate. Guarantees are subject to the financial strength and claims-paying ability of Metropolitan Life Insurance Company.
2. Earnings within your GUL coverage grow income tax free while the policy stays in force. Please consider your time horizon, tax rates, and the effect of fees and expenses, including any premium expense charge, when evaluating the benefit of GUL tax deferral. See your Certificate for complete information.
3. In general, participants may withdraw cash value equal to premiums paid without tax consequences. However, if the funding of the certificate exceeds certain limits, it will become a “modified endowment contract” (MEC) and become subject to “earnings first” taxation on withdrawals and loans. An additional 10% penalty for withdrawals and loans taken before age 59½ will also generally apply to MECs. We will notify you if a contribution would cause your certificate to become a MEC. Withdrawals and loans will reduce the death benefit and cash value and thereby diminish the ability of the cash value to serve as a source of funding for cost of insurance charges, which increase as you age. Outstanding loan amounts do not participate in the interest credited to the interest-bearing account and can have a permanent effect on certificate values and benefits. Upon surrender, lapse, or case termination, including those circumstances where termination of the Group contract results in termination of individual certificates/policies, loans become withdrawals and may become taxable to the certificate owner.
4. In general, death benefits are received income tax free.

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[Certificate Form #]



Metropolitan Life Insurance Company | 200 Park Avenue | New York, NY 10166

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