Versatile, complementary options for college savings

As a well-rounded financial tool, a variable universal life policy protects those who matter most, while its living benefits help address goals for your future such as college savings.

Many parents and grandparents understand that 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, the opportunity for tax-deferred growth, and tax-free distributions when used for qualifying expenses. But relying exclusively on a 529 plan to save for college has some potential drawbacks.

Let's take a look at some of the ways a variable universal life policy may serve as a versatile complement to this popular and efficient college savings vehicle.

What if...	529 plan	How a variable universal life policy can help
You want to do more to be prepared for the cost of college?	Created specifically for college savings, a 529 plan offers generous contribution limits as well as tax-advantaged growth potential and tax-free distributions when used for qualifying expenses. Qualified higher education expenses include costs required for the enrollment or attendance at a college, university or other eligible postsecondary educational institution.[1] The plans also tend to offer a wide range of investment options which offer access to professional money management. Lastly, some states may offer a reduction in state income taxes or other benefits to state residents who invest in their 529 plan.	Variable universal life policies permit generous premium amounts and offer the opportunity for tax-deferred growth. You can select from among a wide range of investment options managed by well-known money managers. As a long-term investment in your future, you'll enjoy tax-deferred accumulation in your policy's cash value and tax-free income that can be used to help pay for some of your child's higher education expenses—or anything else—should your needs change over time. Of course, if you choose to access the cash value to help fund big ticket items like college, that will mean a decrease in the life insurance benefit and other amounts. See other side for details.[2]
You pass away before your child goes to college?	Contributions may stop, leaving your child short of the amount needed.	A life insurance benefit, typically federal income tax free, can help cover the costs of college.

A variable universal life policy involves insurance and investment fees and charges. A 529 plan involves investment fees and charges, but no insurance-related expenses.

Neither New York Life Insurance Company nor its affiliates and agents provide tax, legal, or accounting advice. Please consult your own professional before making any decisions related to your personal circumstances.

What if...	529 plan	How a variable universal life policy can help.
You need money for something other than qualifying educational expenses?	You can cancel your account or 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 and plan penalties as well. Another option would be for the parent or account owner to 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.	Funded properly, variable universal life represents a versatile, long-term investment with living benefits that can help customize your policy according to your needs. The life insurance benefit can provide a federal income tax-free legacy; or, if your needs evolve over time, your policy's cash value can provide tax-free income for retirement or any other future expenses.[2]
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.

Trying to decide how much savings to dedicate to your child's education versus your own retirement?

With variable universal life, you can save for both! 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, that which remains will still have the opportunity to accumulate over time, and your policy will remain in effect as long as you continue to pay the necessary premiums.

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

As with most investments, there are fees, expenses, and risks associated with variable universal life contracts. All guarantees are dependent on the claims-paying ability of the issuer and do not apply to the investment performance of the investment options, as they are subject to market risks and will fluctuate in value.

If this material is used in conjunction with a solicitation of New York Life Variable Universal Life Accumulator II, it must be preceded or accompanied by the appropriate product and fund prospectuses. Investors are asked to consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. The product and underlying fund prospectuses contain this and other information. Please read the prospectuses carefully before investing.

[1] https://www.savingforcollege.com/article/what-you-can-pay-for-with-a-529-plan.

[2] 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 available cash surrender value and life insurance benefit. 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 younger than age 59½.

The New York Life Variable Universal Life Accumulator II policy form number is ICCICC17-317-30.

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