Equitable™

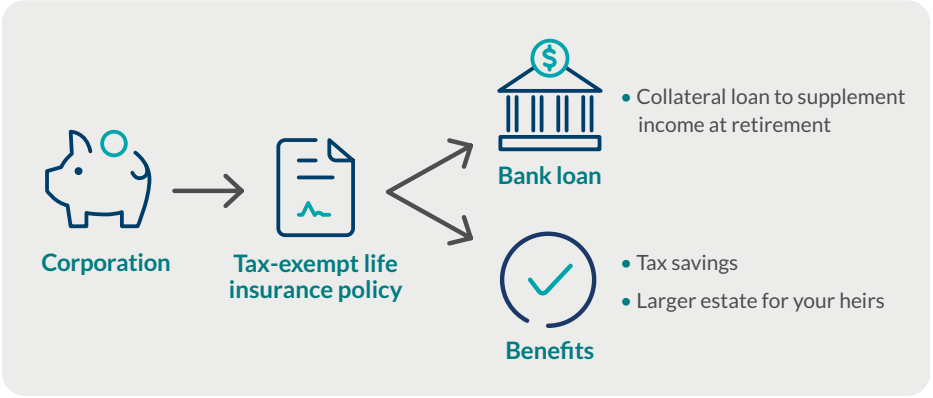
Preferred Retirement Solution using whole life

It's the kind of preferential treatment you want. Supplement your retirement income.

When it comes to retirement … we all want to dream big! If retirement savings alone aren't enough to make our retirement dreams a reality, the Preferred Retirement Solution® can help.

Some life insurance policies have cash value you can access. You can use it as collateral for a tax-free bank loan to supplement your retirement income. Unlike traditional loans, the debt is repaid using the proceeds from the life insurance policy.[1]

With the Preferred Retirement Solution, you redirect some of your money from taxable investments to pay the premiums for a permanent life insurance policy.



Put the Preferred Retirement Solution to work for you

Save taxes and grow your assets

- By redirecting money from taxable investments into the life insurance policy, you may pay less tax over your lifetime.[2]
- The funds within the insurance policy grow on a tax-advantaged basis.
- Payments above the required premium can accelerate the growth of the value within the policy.[3]

Enjoy your retirement

- Once the cash surrender value of the policy is large enough to meet the bank's loan qualification requirements, you may apply for a bank loan using the policy as collateral.[4]
- A bank loan can supplement your retirement income with tax-free dollars.

[1] Depending on the terms of the loan agreement, the lending institution may require regular or periodic loan payments.
[2] Depends on the nature of your taxable investment and assumes no taxes are triggered if investments are sold/withdrawn to fund premiums.
[3] The extra payment is limited to the maximum amount allowed to maintain the tax-exempt status of the policy. Review the product illustration for full details.
[4] With a collateral bank loan, the lender will be a third-party lending institution. Availability of a loan from the third-party lending institution is not guaranteed by Equitable and is not part of the life insurance contract. The borrower must apply for and meet the third-party lending institution's loan qualification requirements. The amount loaned by the third-party lending institution will be determined exclusively by the borrower and the third-party lending institution. Loan minimums vary by financial institution. The ability to obtain a loan and the terms of a loan are subject to the financial underwriting policies at the third-party lending institution at the time of loan and are subject to change at any time. There may be conditions, fees and costs associated with arranging the collateral bank loan.

The Preferred Solution®

An example: meet Kendra

Kendra is 43 years old and plans to retire at age 65.

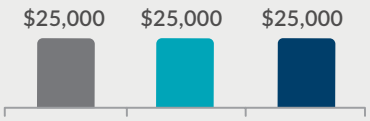
- She can set aside $20,000 each year for the next 20 years to accomplish this goal.
- At age 65, she wants $25,000 a year to supplement her retirement income for 20 years.
- Kendra wants a tax-efficient way to increase her retirement income while creating an estate. She is considering two options:

1. Invest $20,000 each year for 20 years in a taxable investment and later make withdrawals to supplement her income, or
2. (Preferred Retirement Solution) Transfer $20,000 each year for 20 years to a permanent life insurance policy to pay the premium and use the cash value of the policy as collateral for a bank loan.

The results

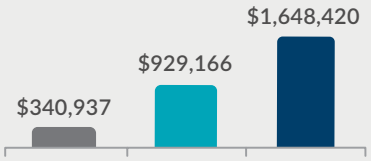
Both options are sufficient to supplement Kendra's retirement income by $25,000 annually until age 85. However, using the Preferred Retirement Solution creates a larger estate than with taxable investments.

Annual after-tax amount available to supplement Kendra's retirement income for 20 years starting at age 65



Taxable investment (5% annual rate of return)[6]
Preferred Retirement Solution (life insurance)[7] Current dividend scale interest rate minus 1%
Preferred Retirement Solution (life insurance)[7] Current dividend scale interest rate

Net value of Kendra's estate (assumes death at age 85 and after loan repayment)[5]



Scale has been modified for display purposes.

Other taxable asset classes may require a higher rate of return to produce the same net estate value at age 85 as a life insurance policy.

	Required annual pre-tax rate of return[8]				
	Life insurance (Annual after-tax internal rate of return)	Interest	Dividends	Realized capital gains	Deferred capital gains[9]
Current dividend scale	5.75%	11.51%	8.85%	7.67%	6.58%
Alternate dividend scale (current minus 1%)	4.55%	9.09%	6.99%	6.06%	5.31%

The pre-tax returns for realized capital gains and deferred capital gains assume 50% of the capital gain is taxed.

It could be the right solution for you if...

- ☑ You have taxable investments.
- ☑ You want to reduce the taxes you pay.
- ☑ You want to supplement your retirement income.
- ☑ You want to leave money to your loved ones or charity.
- ☑ You have an up-to-date Will.

Your advisor can show you how the Preferred Retirement Solution can work for you.

[5] Loan amount of $25,000 per year for 20 years starting at age 65. Loan rate of 6% with assumed age of death at 100. Maximum loan to CSV ratio of 90%. Loan interest is assumed to be capitalized. At age 85, the bank loan balance is $974,818.
[6] Average annual rate of return of 5%. Investment portfolio (50% interest and 50% dividends). Withdrawals of $25,000 for 20 years starting at age 65. Rate of return is not guaranteed and actual results will vary.
[7] Equimax Estate Builder® participating whole life insurance, 20-pay. Paid-up additions dividend option. Initial death benefit $681,895. Illustrated values are for a female, age 43, standard non-smoker rates based on dividend rates in effect as of June 16, 2026 and the dividend scale at that time remaining unchanged for the life of the policy. A decrease in the life insurance dividend scale will affect the illustrated values. Dividends are not guaranteed and are paid at the sole discretion of the Board of Directors. Dividends may be subject to taxation. Dividends will vary based on the actual investment returns in the participating account as well as mortality, expenses, lapse, claims experience, taxes, and other experience of the participating block of policies.
[8] Marginal tax rate of 50%; personal dividend tax rate of 35%.
[9] Assumes capital gains are deferred until age 85.

The Preferred Retireme"t Solutio" is a co"cept· It is "ot a product or co"tract· It is based o" curre"t tax legislatio" which may cha"ge· This i"formatio" does "ot co"stitute legal· tax· i"vestme"t· or other professio"al advice· Clients are advised to seek professional advice before adopting any insurance investment or strategy.
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