Equitable

Insurance | Investments | Group Benefits

Preferred Estate Transfer® using life insurance

Transfer your wealth. Pay less tax.

A life insurance policy, like universal life (UL), can be a smart way to build and pass on wealth while paying less tax. The policy offers tax-advantaged growth. And you can access your money whenever you need it.[1] Plus, the death benefit received by beneficiaries is tax-free, so they get more.

Put the Preferred Estate Transfer to work for you

Simply redirect some of the money from taxable investments to a tax-exempt universal life insurance policy. The policy will do all the rest.

- Leave a legacy
- Tax savings for you

Benefits of Preferred Estate Transfer

Leave more money to your loved ones

- UL insurance may provide a higher estate value than taxable investments.
- Putting extra premiums into the policy can grow your values faster.[2]

Save on taxes

- You may pay less tax by moving money from taxable investments to a universal life insurance policy depending on the nature of your taxable investments.
- The account value within the insurance policy grows on a tax-advantaged basis.
- The UL death benefit is paid to beneficiaries tax-free.

Example: Susan – Female, Age 55, Non-smoker

Susan wants to leave a larger inheritance for her family. She is considering two options for growing her estate value:

Option 1. Invest $20,000 a year for 10 years in a taxable investment assuming a 6% return.

Option 2. Invest $20,000* a year in an Equitable Generations™ UL policy assuming a 4% return. The premium tax will be deducted from the deposits, with the remainder added to the policy's account value. Monthly charges will then be taken from the account value during the policy year. The remainder will be left to grow in the contract.

	Option 1 – Taxable investments (6% annual rate of return[3])	**Option 2 – Preferred Estate Transfer** (UL policy with 4% annual rate of return[4])
Net estate value at year 30 (assumes death at age 85)	$20,000 a year for 10 years into taxable investments	$20,000 a year for 10 years into a Universal Life policy
	$480,142[3]	$608,892[4]

Using the Preferred Estate Transfer solution as shown above, Susan learns that she could leave her family more than **27% more money**, without needing to spend more.

To do this, Susan decides to go with **Option 2:** Buy an Equitable Generations UL insurance policy with an initial coverage of $450,000. She will put $20,000 into the policy each year for 10 years. This could pay the monthly charges and also help her achieve tax-advantaged growth over the years.

The Preferred Estate Transfer solution is ideal for those who:			
☑	Want to leave money to loved ones or a charity.	☑	Have taxable investments.
☑	Have an up-to-date Will.	☑	Want to reduce the taxes you pay.
☑	Do not have a mortgage or other large debts.	☑	Want their estate to pay less tax.
☑	Have met their retirement planning needs.		

To learn more about how the Preferred Estate Transfer can benefit you, contact your advisor.

[1] A pro rata surrender charge will apply to withdrawals made within the first 9 years. Market value adjustments may apply to funds invested in guaranteed deposit accounts. Accessing the cash value in your policy may be subject to taxation and a tax reporting slip may be issued.

[2] Additional payments are limited to the amount required to maintain the tax-exempt status of the policy. If the account value goes above the limit, Equitable will increase the coverage up to the needed and allowable amount so that the policy stays tax-exempt. If the policy is still not tax exempt, any amount above will be placed in the shuttle account and subject to annual taxation.

[3] Average annual rate of return of 6% is assumed. Investment portfolio (50% interest and 50% dividends). Marginal tax rate of 50%; personal dividend rate of 35%. Assumes no withdrawals are made.

[4] Assumptions: Equitable Generations universal life policy with yearly renewable term (YRT) cost of insurance and Level Protector death benefit option, Female, age 55, standard non-smoker rates. Premium and cost of insurance rates areas of March 21, 2026. Initial insurance coverage of $450,000. The sum insured is automatically increased as needed at the policy anniversary, subject to the maximum percentage increase and other restrictions as prescribed in the tax legislation that applies, to assist in maintaining the exempt status of the policy. Illustration interest rate (assumed rate of return) of 4%. Shuttle account interest rate of 0%. After 10 years, no further payments are made. The projected account value and interest earned are not guaranteed. If starting in policy year 11 or at any time after policy year 11 the account value is not sufficient to cover the monthly charges for the universal life coverage, the policy owner will need to continue or resume premium payments in order to keep the coverage in effect. Illustrated values are not guarantees of future performance. Actual results will vary.

The Preferred Estate Transfer is a concept. It is not a product or contract. It is based on current tax legislation and may change. This information does not constitute legal, tax, investment, or other professional advice. Readers are advised to seek professional advice prior to adopting any insurance or investment strategy.

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