

Understanding types of annuity ownership

There are many types of trusts and non-living ownership options for annuities. Determining which ones an annuity carrier will accept can get complicated.



What kinds of business do we accept?

We'll accept annuity business from any type of entity as owner, as long as it meets our suitability/best interest standards, with these exceptions.

EXCEPTIONS:

- **Section 401 Retirement plan/trust or ERISA plan/trust** – Most of our annuity products will not accept business for plans qualified under Section 401 of the Internal Revenue Code (such as 401(k) plans, pension plans, and profit-sharing plans) or plans subject to the Employee Retirement Income Security Act of 1974 (ERISA). We will only accept this business into our registered index-linked annuity and fee-based annuity products.
- **We do not allow Installment or Deferred Sales Trusts.**
- **We do not allow an Estate to be an owner.**

Understanding tax deferral

When submitting non-qualified annuity business for an irrevocable trust, a business entity or other nonhuman owner, it's important to understand that the annuity may not qualify for tax deferral. Speak with your clients to make sure they fully understand the tax treatment of their annuity.

[MassMutual Ascend's suitability/best interest guidelines are included in our Market Conduct and Compliance Guide. To download a copy, log into your account at MyBusiness. \[MassMutualAscend.com/login\]\(https://www.massmutualascend.com/login\) and search for *Compliance Resources*.](#)

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