

## Requirements for Business Involving a Trust

At MassMutual Ascend Life Insurance Company, we value your business and strive to make doing business with us easy. To help ensure your paperwork is complete and to avoid processing delays, please follow the below requirements when submitting new business where a trust is named as the owner of the annuity, or when requesting a change of ownership into or out of a trust.

### Trust Certification

Complete the appropriate Trust Certification form(s). All questions and information must be completed.

- **Trust Certification (X6017907NW):** To be completed for all trusts.
- **Trust Certification – Irrevocable Trust Addendum (X6057018NW):** This additional form should be completed if the basic Trust Certification indicates that the trust is irrevocable. It is *not* needed if the contract to be issued is an Inherited IRA or Inherited NQ contract.
- **Trust Certification – Inherited Contract Addendum (X6057518NW):** This additional form should be completed if the contract to be issued is an Inherited IRA or Inherited NQ contract.



**Do not send us the trust document.** If we receive the trust document, we are not allowed to rely on a Trust Certification that is inconsistent with the terms of the trust. Whenever we receive a trust document, it will need to go to our Legal Department for review, and processing delays may result.

### Owner

The trust that is to own an annuity should be named as the sole owner. The date of the trust should always be specified. If the trust has been divided into multiple sub-trusts or shares, please identify the sub-trust, or share in the owner's name. For example, "John & Jane Doe Tr 05/18/08 – Surv Tr" or "Smith Family Tr 12-01-97 FBO Samantha Smith."

The trustees of the trust might sign as the owner on the application and all related documents, or as the new owner on the Ownership Change form. A trustee should write "Trustee" or "TTEE" after his or her signature. Generally, all trustees should sign the Trust Certificate form(s). Some trusts require all trustees to sign all paperwork (*see* Section 4 of the Trust Certification).

### Annuitant

Be sure to name the proper annuitant(s). Generally, you would want to name as annuitant any person (such as grantor) whose death will trigger a division or distribution of the trust. If that person is named as an annuitant, then the death proceeds will be available to facilitate that division or distribution. If that person is not named as an annuitant, then the trust may incur early withdrawal charges to make a division or distribution, which calls into question the suitability of the sale. You may address these suitability concerns by:

- Adding as an annuitant the grantor or the other person whose death will trigger a division or distribution of the trust. (Please note, however, that you cannot add an annuitant that would violate the product issue age limit, or when the contract is being issued as part of a tax-free 1035 exchange.)
- When a living grantor is not named as an annuitant, providing a representation from the trustee that the trust will not need to be divided or distributed on the death of that grantor. For irrevocable trusts, this representation may be made on the Client Financial Disclosure for Irrevocable Trusts

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(D2658917NW).

- When a living grantor is not being named as an annuitant, providing a representation from the trustee that on trust termination the trustee intends to allocate or distribution the annuity contract in kind to a single trust beneficiary. For irrevocable trusts, this representation may be made on the Client Financial Disclosure for Irrevocable Trusts (D2658917NW).
- Making application for multiple annuity contracts matching the number of expected trust beneficiaries who will be entitled to a separate share or distribution from the trust.

## Important note about annuitants in section 1035 exchanges

The annuitant(s) on our contract must be the same as the annuitant(s) for the contract at the prior carrier. We will need verification of the annuitant(s) named for the contract at the prior carrier. If an annuitant for the contract at the prior carrier is deceased, we can accept the business only as an inherited non-qualified contract.

If a grantor or other person whose death will trigger a division or distribution of the trust is not named as annuitant at the prior carrier, then our suitability concerns must be addressed by one of the other options listed above.

## Beneficiary

The trust itself must be named the sole primary beneficiary. This avoids a possible conflict between the terms of the trust and the beneficiary rules of the contract.

## New Purchase Payments

If the funds to be applied to a contract are not coming from the trust itself, our Third Party Check form (N2654911NW) must be completed by the owner of the funds>

## Client Financial Disclosure/Suitability Review

For new business:

- If the trust is a **revocable trust**, then the trustee should complete Client Financial Disclosure (D2624217NW) based on the grantor's income, assets and health (whether or not the trustee is the grantor).
- If the trust is an **irrevocable trust**, then the trustee should complete the Client Financial Disclosure for Irrevocable Trusts (D2658917NW) based on the trust's income, assets and obligations. (Note: Florida requires state-specific versions of the forms.)

## Transfers of Ownership Out of Trust

The Ownership Change form must be signed by the trustee(s). Additionally:

- If the trust is **revocable**, no additional documentation beyond the basic Trust Certification is required, but the transfer must be from the trust to a grantor of the trust.
- If the trust is **irrevocable**, complete Trust Certification – Change of Ownership to Trust Beneficiaries (X6057118NW).

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## Qualified Contracts

We will not issue an IRA or other qualified contract to a trust unless the contract is an inherited IRA, or the trust is an employer pension trust.

## Agent Conflicts of Interest

Except in limited family situations, we will not accept a new business where the insurance professional or a close family member of the insurance professional is a trustee or beneficiary of the trust.

We will not accept new business where the insurance professional is also performing legal services for the client as a lawyer.

Please refer to our Market Conduct & Compliance Guide for more information.

Thank you for choosing MassMutual Ascend!