

# SAVE FOR COLLEGE WITH CONFIDENCE

## YOUR GUIDE TO EDUCATION FUNDING

Many parents and grandparents view funding their children's education as one of their most important financial priorities. Yet parents often underestimate the future cost of higher education, and many do not have a plan in place to help pay for their child's education<sup>1</sup>.

According to Sallie Mae, the nation's leading provider of education funding, fewer than two in five families (38 percent) indicated that they had a plan to pay for all years of college before their child enrolled.

The old adage of "Save early and save as much as you can" has been the mantra of many advisors for retirement, and that might seem like a good plan for educational savings. But the key is to ensure that your desire to help fund your children or grandchildren's education is balanced within your overall financial plan.

In this guide, we'll help you understand the costs associated with a college education—now and in the future, the funding options available to you, and how education funding should be evaluated within your larger financial plan. Whether you are welcoming a new baby to your family or already have children or grandchildren nearing college age, you will find tips and strategies to help you make the best decisions for your personal situation.

### HOW AMERICANS PAY FOR COLLEGE

# 42%

OF COLLEGE COSTS

paid by out-of-pocket contributions from parents' and student's savings and income investment assets<sup>1</sup>.



<sup>1</sup> Sallie Mae, "How Americans Pay for College 2014."

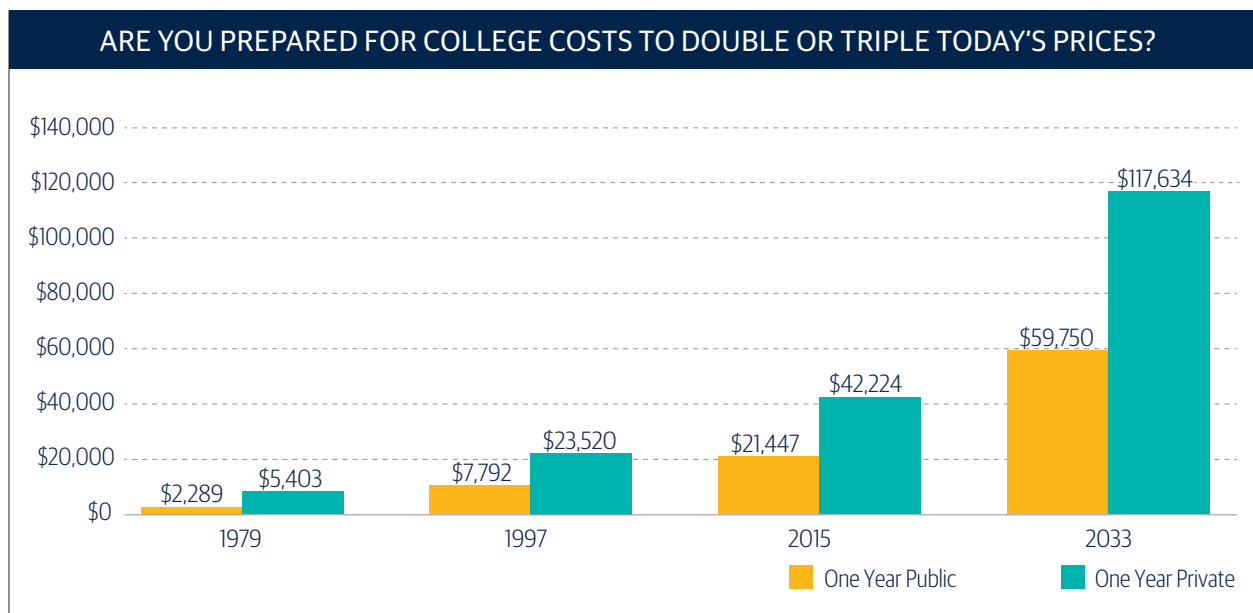
## THE COST AND VALUE OF A HIGHER EDUCATION

For many years, a bachelor's degree has been seen as the surest route to a career-oriented, good-paying job. Today, some Americans are wondering whether this is still true. College costs continue to rise sharply, student debt has been mounting, and some newly minted college graduates are struggling to find good jobs.

A new report from the Federal Reserve Bank of New York<sup>1</sup> answers this question quite clearly: Yes, college is worth it. And, in some respects, a four-year degree has never been more valuable. Analysis by the Federal Reserve shows the annual economic return of a college degree has held steady at 15 percent for more than 10 years, easily surpassing what most people consider a sound investment. Why? Because the difference in earnings between college graduates and those with only a high school diploma continues to grow faster than rising tuition costs<sup>1</sup>.

While the economic benefits of a college degree have never been greater, earning a bachelor's degree has never been more expensive. Today, the annual price tag for a four-year private university is \$42,224, while an in-state public school costs \$21,447<sup>2</sup>. As you can see in the graphic below, these costs are a dramatic increase from just a generation or two ago.

And the costs are expected only to rise. In 2033, the start of college for a child born this year, the average cost for one year of school at a four-year private institution is projected at \$117,634 and \$59,750 for one year at an in-state public university<sup>3</sup>.



1979 and 1997 costs from National Center for Education Statistics Table 320. 2015 costs, The College Board, Cost of College Calculator. 2033 costs calculated from 2015 costs with a 5 percent inflation rate. Costs include tuition and fees, transportation, and room and board.

<sup>1</sup> Federal Reserve Bank of New York, 2014, "Do the Benefits of College Still Outweigh the Costs?"

<sup>2</sup> Big Future, The College Board

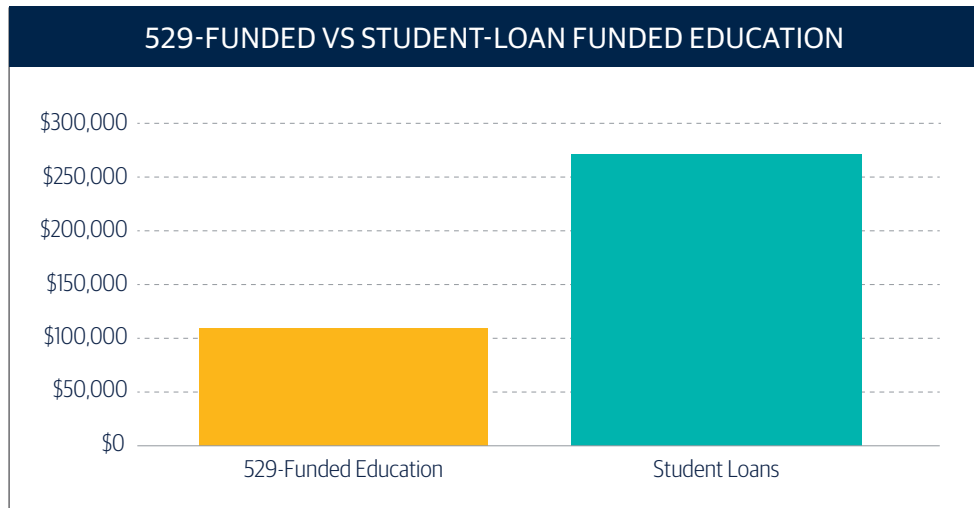
<sup>3</sup> 2033 costs calculated from 2015 costs with a 5 percent inflation rate. Costs include tuition and fees, transportation, and room and board.

## SAVE NOW OR PAY LATER?

The cost of higher education can be daunting. Yet as the graph below shows, even a small amount saved today can dramatically impact your child's funding plan versus borrowing later to cover the cost. Putting money away today allows the growth of the savings to compound. In the same way, interest on loans incurred to pay for college also compounds, significantly increasing the cost of education.

For example, let's say you plan to cover four years of college (current annual cost of \$20,000) for a child born today. To meet that expense 18 years from now, you would need to save \$448 per month (from birth) in a 529 plan—totaling \$113,000 in contributions, assuming a conservative 5 percent college cost inflation rate and a 6 percent annual investment return.

.....  
Putting money away today allows the growth of the savings to compound.  
.....



Source: SavingForCollege.com

What would happen if you decided to borrow the same funds to pay for college rather than saving and investing in advance? According to [SavingforCollege.com](http://SavingforCollege.com), to borrow for the same four years of future costs, your child would graduate owing about \$276,383 in loans. This translates into a monthly payment of approximately \$2,300 over the next 10 years, assuming a 6 percent loan interest rate. In other words, college would end up costing an additional \$163,383, or more than double in out-of-pocket costs, than if you had saved and invested in advance.



## WHAT'S THE COST OF WAITING?

Using a similar scenario, let's evaluate the impact of waiting a few years to begin saving for college. In the graphic below, you'll see that if you begin a month after your child is born (versus the graph on page 3, starting at birth), your payments are approximately \$459 per month with a tax-free account. Waiting just three years increases the payment to \$595 per month; and if you wait 10 years, that monthly payment jumps to \$1,232. And saving into a taxable account requires an even larger payment.

	THE COST OF WAITING Payments to Cover 100 Percent of Cost			
	SINGLE PAYMENT		MONTHLY PAYMENT	
	529 PLAN	TAXABLE	529 PLAN	TAXABLE
START NOW (1 month from birth)	\$66,822	\$83,371	\$459	\$520
WAIT 3 YEARS	\$79,605	\$95,954	\$595	\$658
WAIT 10 YEARS	\$119,664	\$133,245	\$1,232	\$1,296

This scenario is for illustration only. Assumptions: \$20,000 current cost, 6 percent rate of return, 5 percent inflation.

It seems logical to say "Now is the time to get started." But educational savings plans are not one-size-fits-all. How much income you have available for saving, your philosophy on how much your children should contribute to their own education, and other financial priorities all need to be considered when building an educational funding plan. Your financial advisor can help run scenarios taking into consideration these factors to build a personal plan for you. It's important to review your personalized financial plan annually to ensure it evolves as your needs and circumstances change over time.

## STRATEGIES TO HELP PAY FOR COLLEGE

So how does a family go about planning for college funding? While the costs can be discouraging, you have more options than ever when it comes to saving for higher education costs. Some options provide tax advantages, while others provide more flexibility in how the funds are used.

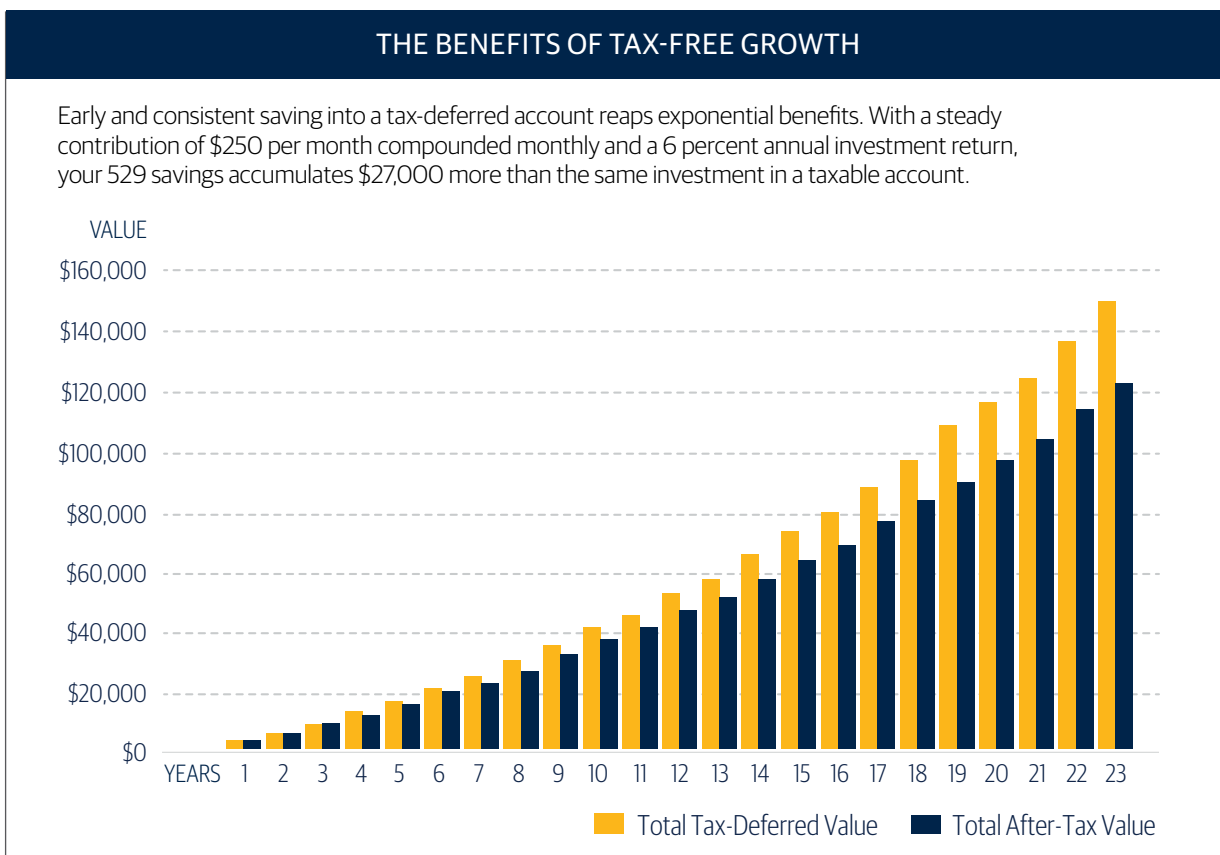
### EDUCATIONAL SAVINGS PLANS

The government has created two accounts to help save for a child's education: 529 Plans (created at the state level) and Coverdell Education Savings Accounts (Coverdell, created at the federal level). Both offer important tax advantages not available through other college savings options such as investments and custodial accounts.

## 529 COLLEGE SAVINGS PLAN

A 529 plan is a flexible, state-sponsored program that enables parents, grandparents, relatives and friends to invest for a child’s higher education on a tax-advantaged basis. Named for the section of the Internal Revenue Code that authorized them, 529 plans offer important advantages:

- **Your college savings grow tax free.** The money you set aside in a 529 plan grows free of federal income taxes (and in some cases state taxes, too). And when money from the account is used for qualified college costs, those distributions are also tax free<sup>1</sup>. Qualified expenses typically include tuition, room and board, fees, books, supplies and equipment.



This hypothetical example assumes a \$250 monthly contribution compounded monthly and a 6 percent annual rate of return, contributing through college-attending years. The assumed 6% rate of return is not guaranteed; additionally, all investments carry some level of risk including the potential loss of principal invested. The taxable account assumes a 25 percent federal tax rate. This example is for illustrative purposes only and does not represent the performance of any specific account or investment. It also does not reflect any state taxes, plan fees or sales charges that may apply. If such fees or sales charges were taken into account, returns would have been lower.

- **You decide how to invest your money.** A 529 plan works much like a 401(k) plan: Your savings are invested in a choice of professionally managed investment options. Your account value will go up and down based on the performance of the underlying investments.

<sup>1</sup> If the money is used for a purpose other than qualified education expenses, the earnings portion of the withdrawal would be subject to then-current federal income tax plus an additional 10 percent tax penalty and any applicable state taxes.

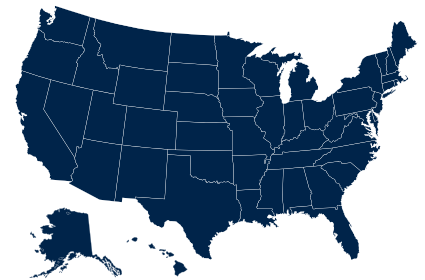
- **You can set aside significant sums for higher education.** You can contribute to a 529 plan regardless of how much you earn. You can also fund your child's education how and when you want, up to the lifetime contribution limit of the plan (this varies by state but often exceeds \$250,000 per beneficiary). Federal tax rules allow you to contribute up to \$14,000 each year per beneficiary (\$28,000 for married couples filing jointly) without incurring federal gift taxes.

A unique feature of 529 plans allows you to gift a lump sum of up to five years' worth of contributions in one year for a maximum of \$70,000 for an individual (\$140,000 for joint gifts) without gift-tax implications, provided you don't give additional funds to the same child or grandchild within the five-year time period. So even if you've waited to start saving for college, you can still make sizable contributions toward a child's higher education while reaping the tax advantages 529 plans offer.

- **You can get income-tax deductions.** While you may be considering the long-term benefits of a 529 plan, don't lose sight of tax credits you can claim today. In more than 30 states, you can receive either a state income-tax deduction or tax credit for your contribution to the state's 529 plan. Deductions and tax credits vary from state to state, so be sure that you are working with your advisor to select a 529 plan that meets your specific needs.
- **You retain control of your money.** With a 529 plan, you have flexibility in both how you can invest your money and how the funds are used:
  - You can choose any state plan, regardless of where you live<sup>1</sup>.
  - The money you save can be used to pay qualified higher education expenses at any accredited educational institution, not just schools in the state sponsoring your plan.
  - You retain control over the account, even after your child turns 18.
  - If your child doesn't need the money because he or she receives a scholarship or decides not to attend college, you can transfer the account to another beneficiary (assuming he or she has not exceeded the lifetime limit) in the same family—including yourself—or leave the money in the account for future use. However, if you elect to withdraw the funds for non-qualified college expenses, you may be required to pay income tax and a 10 percent penalty on the earnings in the account.

**DID YOU KNOW?**

You can open a 529 plan from another state. Plans typically allow their funds to be used for schools within most states. If your state doesn't offer a tax deduction, it pays to look around. Each state works with different fund providers and will have different investment lineups<sup>1</sup>.



**KEEP IN MIND**

Although grandparent-owned 529s are not included in federal financial aid calculations, any distributions used for college expenses will be counted as untaxed income for the beneficiary and could significantly impact their financial aid requests the following year.

<sup>1</sup> If you choose a state plan where you are not a resident, you may lose that state's tax deduction.

## 529 CONTRIBUTION LIMITS

**Plan Lifetime Limits.** In order to qualify as a 529 plan, federal law limits state program contributions in excess of the anticipated cost of a beneficiary's qualified education expenses for that state. In most cases, states are placing limits on colleges with a steep price tag and are also including the cost of graduate school, with the average being between \$250,000 and \$300,000.

These limits are per beneficiary, so if there are multiple accounts set up for your child within the same state's plan, the combined contributions cannot exceed the limit. This begs the question, "Can I have accounts for the same beneficiary in different states?" It depends. You will want to work with your advisor or plan administrator to determine your impact, as each state plan is different.

**If You Reach the Limit.** Although the lifetime limit may seem out of reach for some, families starting early or who have made large lump-sum deposits should pay close attention. If your deposits and market gains put your account over the limit, the money can stay in the account, but you are no longer allowed to make any further contributions. If market conditions decline and the account falls under the limit, contributions would then be allowed again.

## A NOTE ABOUT PREPAID 529 PLANS

There is a second 529 plan option, a prepaid tuition plan, which allows you to lock in tomorrow's tuition at today's prices. Although this sounds like a great idea, there are concerns over the longevity of these plans and the flexibility in selecting schools. Make sure you research these plans carefully before making a contribution. A financial advisor can help you determine if a [prepaid plan](#) is right for you.

## COVERDELL EDUCATION SAVINGS ACCOUNT

A Coverdell Education Savings Account (Coverdell) offers another tax-advantaged way to save for education expenses. As with a 529 plan, your money grows tax free, and you pay no taxes on withdrawals if they're used to pay for qualified education expenses. However, Coverdells differ from 529 plans in a few important ways.

- There are income limits for contributions to any Coverdell; generally you need to make less than \$110,000 for single taxpayers or \$220,000 for married couples filing jointly.
- Total contributions for the year cannot exceed \$2,000 per child. So you need to be careful when accounts are established by different family members for the same child. If total contributions exceed \$2,000 in a year, a penalty will be imposed.
- The child must be younger than age 18 when the account is opened, and withdrawals must be completed by the time he or she reaches age 30 (except in the case of a beneficiary with special needs).
- The money contributed can be used to pay for a broad range of qualified expenses, including those for elementary, secondary and post-secondary education. This is in contrast to a 529 plan, which is specifically for higher education costs.
- You can direct your Coverdell contributions to whatever investment vehicles you want, whereas a 529 limits investment options (typically mutual funds only).

### NEED TO SAVE MORE THAN YOUR STATE'S MAXIMUM?

Contribution limits do not always cross state lines. Work with your advisor to determine if opening additional plan(s) in other states is feasible and the right decision for your overall plan.

## INVESTMENTS

Some parents may use an investment account to save for college. This approach provides a great deal of flexibility, as there are no income or contribution limits; assets can be used for any purpose; and you have complete control over your investment selections. Keep in mind, however, that saving in an investment account means you will pay tax on any earnings in the account, even if the money is used to pay for educational expenses.

Although an investment account is not tax advantageous, the flexibility it provides, both when money is contributed and distributed, makes it a great supplement to other saving options.



## PERMANENT LIFE INSURANCE

Permanent life insurance can help provide funds to cover educational expenses in two different ways. First, by owning a permanent life insurance policy, you can help ensure that if anything were to happen to you, your goals for your child's education can still be met. Secondly, the flexibility of permanent life insurance also enables you to build up cash value that can be accessed (through withdrawals, loans, or reducing the amount of your death benefit) for any reason, including funding college expenses. The cash value of the policy grows tax free and may be utilized tax and penalty free up to the amount of premiums paid (e.g., not including interest or gains).

## UNIFORM GIFT TO MINORS ACT (UGMA)/UNIFORM TRANSFER TO MINORS ACT (UTMA) CUSTODIAL ACCOUNT

UGMA or UTMA custodial accounts let you set aside money in a special type of account specifically for a child. Unlike a 529 plan or a Coverdell, there are no restrictions on how the money can be spent as long as it's for the benefit of the child. For example, you can use money in a custodial account to pay for the child's dance instruction, summer camp or braces.

There are no contribution limits to a custodial account, and you can set aside money regardless of how much income you make. However, the contributions you make are irrevocable—you can't take them back. And once the child reaches the age of majority (18 or 21 in most states), the child can access the account for anything; you no longer have control over how the money is spent. Custodial accounts offer some tax advantages. For 2015, the first \$1,050 of investment income is tax free; the next \$1,050 is taxed at the child's rate; and any income above \$2,100 is taxed at the parent's rate.



## ROTH IRA AND OTHER TAX-ADVANTAGED ACCOUNTS

If you have a Roth IRA, your after-tax contributions (not earnings) can be withdrawn income tax- and penalty-free to pay for college expenses. However, any investment earnings you withdraw are subject to federal income tax and possibly a 10 percent penalty, even if that withdrawal is used for qualified educational expenses.

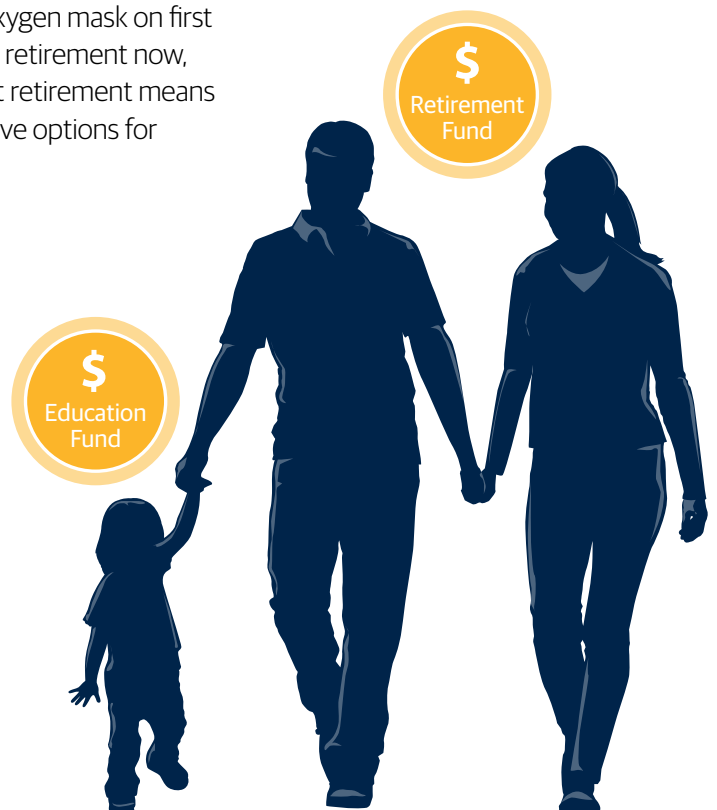
The rules for taking withdrawals from other qualified retirement accounts are similar. If you pull money out of your 401(k) or other tax-advantaged account, you'll not only sacrifice the tax-deferred growth of that money, but you'll also owe income taxes. In addition, if you're not yet age 59½, you may be subject to a 10 percent early withdrawal penalty on the withdrawal—though taking money from your IRA to pay for qualified education expenses at a postsecondary institution is an exception to the early withdrawal penalty.

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## ADDITIONAL CONSIDERATIONS

### COLLEGE OR RETIREMENT: WHICH SHOULD YOU SAVE FOR FIRST?

Although your wish may be to fully fund your child's education, don't allow that goal to put your own retirement at risk. It's much like the instructions given by flight attendants when you travel by air: In case of emergency, put your oxygen mask on first before helping your child. If you don't take care of funding your own retirement now, you may end up having to work longer, changing your vision of what retirement means to you, or even having to rely on your kids in retirement. Children have options for funding their education with loans and scholarships. Retirees don't.



## FINANCIAL AID

Financial aid is available both through the federal government and through the schools to help families pay for educational expenses. Thirty-eight percent of undergraduates receive federal aid through loans, according to the College Board<sup>1</sup>.

Financial aid falls into the following categories:

- **Grants and scholarships.** Types of aid that do not need to be paid back. Some scholarships are merit-based (such as academic, athletic, or certain skills/traits), while others can be geared toward groups of people (for example, ethnicity- or gender-based, where parents work, etc.) These can be awarded at the school level or through federal programs. Your high school counselor, the financial aid office of the school, the parents' employers and the [U.S. Department of Labor scholarship search tool](#) are just a few places to begin a scholarship search.
- **Loans.** All loans require repayment, but how the loan is awarded, the way the loan accrues interest and the repayment schedule can differ based on the type of loan:

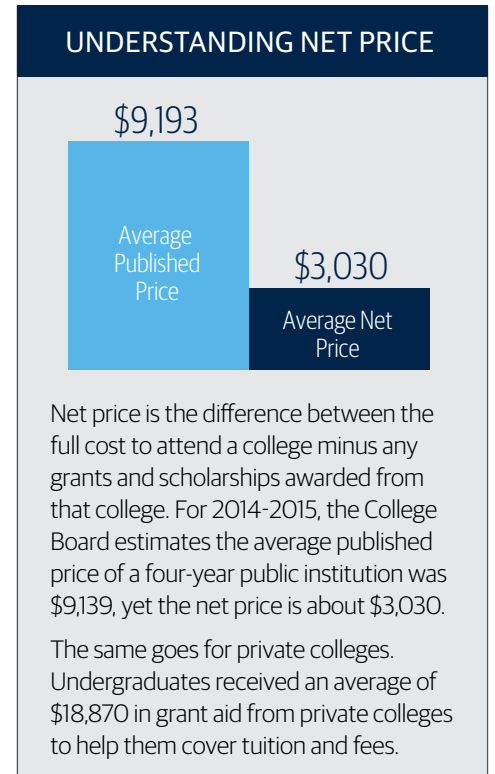
LOAN TYPE	WHO'S ELIGIBLE?	HOW INTEREST ACCRUES	WHEN REPAYMENT BEGINS
<b>FEDERAL PERKINS LOAN</b>	Undergraduates and graduate students with exceptional financial need. Not all schools participate in this program.	Fixed-interest loan with interest accruing six months following graduation or if student falls below half-time status.	Six months after student leaves school or falls below half-time status. The lender is the school; payments are made directly to the school.
<b>FEDERAL DIRECT SUBSIDIZED LOANS</b>	Undergraduate students who demonstrate financial need. The school determines the amount a student can borrow.	Fixed-interest loan with interest accruing six months following graduation or if student falls below half-time status.	Six months after student leaves school or falls below half-time status. The lender is the U.S. Department of Education.
<b>FEDERAL DIRECT UNSUBSIDIZED LOANS</b>	Undergraduate and graduate students. Financial need does not need to be demonstrated.	Fixed-interest loan that begins accruing immediately from date of issue.	Student can choose to pay the interest while in school or can add it to principal loan balance. Principal repayment begins immediately or after deferment (six months after graduating or if student falls below half-time status).
<b>FEDERAL DIRECT PLUS LOANS</b>	Graduate or professional students and parents of dependent undergraduate students.	Fixed-interest loan that begins accruing immediately from date of issue.	Student can choose to pay the interest while in school or can add it to principal loan balance. Principal repayment begins immediately or after deferment (six months after graduating or if student falls below half-time status).
<b>PRIVATE LOANS</b>	Based on credit of the borrower. If a student's income is below a certain level or he or she does not qualify, a co-signer is typically required.	Varies based on the loan.	Varies based on the loan and typically begins as soon as the loan is issued.

<sup>1</sup> The College Board, "Financial Aid FAQs" (<https://bigfuture.collegeboard.org/pay-for-college/financial-aid-101/financial-aid-faqs>)

Needs-based eligibility for federal loans is based on a formula that takes into account the difference between the cost of attendance (typically tuition, books, fees, room and board) at a particular school and your expected family contribution (EFC). Generally, parents are expected to use up to 5.64 percent of available assets and between 22 and 47 percent of their income (based on a sliding scale) each year to help pay for their child's education costs. Student-owned assets are counted at a 20 percent rate, and their income is counted at 50 percent.

Don't assume your child won't qualify for some amount of financial aid—even if you have significant income and/or assets. That's because not all assets count equally for financial aid calculations. For example, retirement assets (such as a 401(k), IRAs, pensions and profit-sharing plans) and life insurance cash values are not included in the EFC calculation, while checking, savings and investment accounts are. Also included are 529 college savings and prepaid plans and assets in a custodial account such as an UGMA/UTMA account. However, the titling and ownership of the accounts is also a factor in how much the account will impact the EFC calculation. Your financial advisor can help you evaluate your assets, your saving options and their impact on the contribution calculated for your family.

To begin the financial aid process, you will need to complete the Free Application for Federal Student Aid (FAFSA). Some schools, typically private, also have their own application, which you will need to complete in addition to the FAFSA. To learn more about the FAFSA, EFC and your eligibility for aid, visit the government's official [FAFSA](#) site.



## WHICH PLAN IS RIGHT FOR YOUR FUTURE GRADUATE?

As you think about your options, one of the first questions to consider is how much of your child's higher education expenses you plan to cover. Some families want to fund as much of the cost as they can for their children; others believe it's important for students to share some of the expense of their education. Either way, you and your children may need to pool money from a variety of sources to pay for college.

We recommend that the funding strategies discussed be considered in the context of your overall financial plan. A financial advisor can run various scenarios to show you how your money will work best for you when considering your family's situation. To create or update your educational savings plan, contact your financial advisor today.



# APPENDIX

## COMPARE YOUR OPTIONS

What's the best way to save for college? The answer is different for each family. When determining which plan is right for you, it's important to carefully compare the pros and cons of each option. Use the table below to compare the main college savings options.

	529 SAVINGS PLAN	COVERDELL EDUCATION SAVINGS ACCOUNT	CUSTODIAL ACCOUNT (UGMA/UTMA)	INVESTMENTS	PERMANENT LIFE INSURANCE	ROTH IRA
<b>CONTRIBUTION LIMIT</b>	No annual contribution limits*, lifetime maximum varies by state	\$2,000 annually per beneficiary combined from all sources	No limit	No limit*	Premiums are paid on permanent life insurance, based on, among other factors, the size of the policy, which is subject to financial underwriting**	Up to \$5,500 annually (\$6,500 for taxpayers age 50 and older) per account
<b>INCOME RESTRICTIONS</b>	None	Ability to contribute phases out	None	None	None	Ability to contribute phases out
<b>FEDERAL TAX ADVANTAGES</b>	Earnings are tax free if used for qualified education expenses	Earnings are tax free if used for qualified education expenses	\$1,000 in earnings are tax free	None	Cash value grows tax free; portion of the cash value made up of premiums may be withdrawn tax and penalty free	Contributions are withdrawn without penalty; if the account has been open 5+ years, earnings would be taxed but avoid 10% penalty if withdrawn for qualified expenses
<b>STATE TAX ADVANTAGES</b>	Varies from state to state	None	None	None	None	None
<b>HOW MAY FUNDS BE USED?</b>	For qualified higher education expenses only	For qualified K-12 and college expenses only	For any purpose that benefits the child	For any purpose	Cash values can be used for any purpose	For retirement, first-time home purchase (\$10k max) and qualified higher education expenses only
<b>INVESTMENT CHOICES</b>	Typically plan provides several investment options	No restrictions	No restrictions	No restrictions	None	Unlimited
<b>ACCOUNT CONTROL</b>	Contributor	Contributor	Custodian until child reaches age of a majority	Account owner	Policyowner	Account owner
<b>CAN YOU CHANGE THE BENEFICIARY?</b>	Yes, to another member of beneficiary's family	Yes, to another member of beneficiary's family	No, represents an irrevocable gift to the child	Not applicable	Yes	Yes

\* Estate exclusion and federal gift-tax provisions apply

\*\* Modified endowment rules may apply

	529 SAVINGS PLAN	COVERDELL EDUCATION SAVINGS ACCOUNT	CUSTODIAL ACCOUNT (UGMA/UTMA)	INVESTMENTS	PERMANENT LIFE INSURANCE	ROTH IRA
<b>HOW THE SOLUTION AFFECTS FEDERAL FINANCIAL AID</b>	Counted as an asset of parent if owner is parent or dependent student	Counted as an asset of parent if owner is parent or dependent student	Counted as student's asset at age of majority	Counted as asset of the owner	Life insurance owned by a parent is typically not counted as an available asset; however, any withdrawals of cash value are treated as income and count against financial aid in the year after they are taken, and loans may or may not count depending upon the school	Not counted as an available asset; however, withdrawals are considered income and can impact financial aid in the year after they are taken
<b>OTHER CONSIDERATIONS</b>	<ul style="list-style-type: none"> <li>• Gift- and estate-tax benefits</li> <li>• Funds generally can be used at any accredited college or university in the U.S. and some international institutions</li> </ul>	Contributions must end once the child reaches age 18, and withdrawals end when child reaches age 30	Contributions are irrevocable	Assets can be used for more than one child	Withdrawals, surrenders and loans will reduce the policy death benefit	Withdrawals will reduce the amount the owner has available for retirement

Please remember that all investments carry some level of risk, including the potential loss of principal invested. They do not typically grow at an even rate of return and may experience negative growth. No investment strategy can guarantee a profit or protect against a loss.

This white paper is not intended as legal or tax advice. Northwestern Mutual and its financial representatives do not give legal or tax advice.

Each method of utilizing your Permanent Life Insurance policy's cash value has advantages and disadvantages and is subject to different tax consequences. Surrenders of, withdrawals from and loans against a policy will reduce the policy's cash surrender value and death benefit and may also affect any dividends paid on the policy. As a general rule, surrenders and withdrawals are taxable to the extent they exceed the cost basis of the policy, while loans are not taxable when taken.

Loans taken against a life insurance policy can have adverse effects if not managed properly. Policy loans and automatic premium loans, including any accrued interest, must be repaid in cash or from policy values upon policy termination or the death of the insured. Repayment of loans from policy values (other than death proceeds) can potentially trigger a significant tax liability, and there may be little or no cash value remaining in the policy to pay the tax. If loans equal or exceed the cash value, the policy will terminate if additional cash payments are not made.

Policyowners should consult with their tax advisors about the potential impact of any surrenders, withdrawals or loans.

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