



Prudential Group Insurance

GROUP UNIVERSAL LIFE

Information Guide



The Prudential Insurance
Company of America
Newark, NJ
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Introduction to GUL

A Benefit That Works as Hard as You Do

Your employer would like to acknowledge your contributions to the company by providing employee benefits that are valuable to you and your loved ones. Life insurance is an important part of your benefit package—one that can significantly shape your family's future. With this in mind, your employer is pleased to offer you Group Universal Life (GUL) Insurance, issued by The Prudential Insurance Company of America (Prudential).

GUL brings new life to life insurance with enhanced features that aren't available in traditional group life term plans. GUL provides a life insurance benefit plus the ability to build tax-deferred cash value. That means you can have added peace of mind knowing your loved ones have some protection in the event of your death. And at the same time, you can bolster your financial security using GUL's tax-deferred earnings feature.

A secure financial future

Life insurance plays an essential role in your family's financial plan. Should anything happen to you, GUL provides a life insurance benefit that is generally free of federal income tax.¹ This benefit can safeguard your family's financial well-being ensuring that their standard of living is maintained and future needs are met.

GUL offers long-term insurance protection in many cases. You don't have to worry about losing your coverage simply because you retire or leave your employer. If your employment status changes, you can keep your GUL coverage under most circumstances.²

Another key feature of GUL—one that makes it different from traditional group term life insurance plans—is the tax-deferred investment component. To take advantage of this feature, you can make GUL contributions in excess of the required premium amount. These additional contributions are allocated to an account which offers a fixed interest rate with a guaranteed floor. Any buildup of interest or earnings in this Cash Accumulation Fund is tax-deferred. This helps you make the most of your premium dollars.

Your GUL life insurance benefit amount usually includes your face amount and your cash value. An increase in your cash value can boost the amount of your total benefit.

Your cash value is accessible when you need it—for any reason. You can make withdrawals, even before retirement, typically without incurring penalty charges. You generally won't be taxed on withdrawals up to your cost basis (which is the sum of premiums paid less withdrawals and the cost of additional insurance benefits).³ You can even take your accumulated cash value with you if you retire or leave your employer. GUL helps you navigate changes in your financial circumstances with confidence.

GUL Advantages

GUL can help you and your loved ones achieve a secure financial future. Below are some key advantages of GUL that can help you reach your long-term financial goals. Please refer to your GUL Booklet–Certificate for complete details including fees, expenses, policy restrictions, and exceptions.

Long-Term Insurance Protection

Unlike group term life insurance plans, GUL offers full life insurance coverage which, under certain circumstances, can continue up to age 100.² Your face amount will not be automatically reduced regardless of changes in your health.⁵ This helps guard against any future uninsurability.

Coverage Continuation

GUL can go with you no matter where your career may lead. If you retire or leave your employer, you can continue your GUL coverage under most circumstances. You'll simply pay your premiums directly to Prudential by check or by Electronic Fund Transfer (EFT). Some Certificates also allow you to pay your premiums using your cash value. You may also eliminate future premium payments by using your cash value to purchase paid-up insurance for life. If you choose not to continue your coverage, you may surrender the certificate for cash value or exchange to an individual life insurance policy, annuity, or long-term care contract tax-free.⁴

The cash accumulation fund

One important advantage of GUL is the ability to build cash value by making contributions to the Cash Accumulation Fund element of your coverage. The Cash Accumulation Fund

provides a fixed crediting rate with a guaranteed minimum floor. Any interest in your Cash Accumulation Fund is tax-deferred. Accumulated cash value can increase your life insurance benefit which is currently free of federal income tax. The increase in your life insurance benefit can help your beneficiaries offset future inflation and cost-of-living increases.

You don't have to wait until you reach retirement age to access your cash value. GUL lets you make withdrawals and loans from your Cash Accumulation Fund—and for any reason—typically without any pre-retirement penalty charges. If you leave your employer for any reason, you can take your certificate and its accumulated cash value with you.

Flexibility

As your life and needs change, GUL can change with you. You can adjust your face amount and your Cash Accumulation Fund contributions at any time to accommodate changes in your lifestyle and finances.⁵

Protection from a known brand: Prudential⁷

When it came to selecting a quality provider that could add value to your employee benefits, your employer chose to work with The Prudential Insurance Company of America (Prudential). Since 1875, the Prudential brand has been synonymous with helping people achieve financial security and peace of mind. Our well-known Rock symbol is an icon of strength, stability, expertise, and innovation that has stood the test of time. For up-to-date information about our ratings, please visit www.investor.prudential.com.

How GUL Works

Premium Contributions

When you make a premium contribution any premium taxes are deducted up front. The remaining amount is allocated to the Cash Accumulation Fund and has the opportunity to grow tax-deferred.⁶ Under most plans, on a monthly basis, a charge for the cost of insurance and any administrative fees will also be deducted from your Cash Accumulation Fund.

Withdrawals, Loans, and Payment of Claim

You can make withdrawals and take loans from the Cash Accumulation Fund to use in any way you choose. Distributions such as full surrenders, withdrawals, and loans may have tax implications. We suggest you consult your financial or tax advisor as Prudential cannot provide tax advice.

Your face amount of insurance is never reduced—even when money is withdrawn or borrowed from the Cash Accumulation Fund. However, withdrawals and loans may reduce the life insurance death benefit. The life insurance benefit is equal to the face amount of insurance plus the Cash Accumulation Fund value less any certificate debt or outstanding charges. This amount is paid to your beneficiary upon your death and is generally free of federal income tax.

Customer Support

Each year you'll receive a statement that shows your Cash Accumulation Fund balance and your current life insurance benefit amount. If you have any questions about your GUL plan or need help with a transaction, call our GUL Customer Service Center at 800-562-9874, Monday–Friday, 8 a.m.–8 p.m. ET.

Notes

Notes

1. Life insurance benefits are generally free of federal income tax per Internal Revenue Code (IRC) Section 101(a) but may be subject to federal estate tax.
2. Group Universal Life (GUL) gives you the option to continue coverage even if you are no longer employed due to voluntary or involuntary termination, retirement, or disability. This is called continued coverage. You can continue your coverage by paying premiums directly to Prudential on a quarterly basis, or, if there is a sufficient balance in the Cash Accumulation Fund, Prudential will automatically deduct your premiums from the fund. Not all GUL plans allow for an automatic deduction of premium. Please check your Booklet-Certificate.

If your employer decides to move the GUL coverage to another life insurance contract that allows for the accumulation of cash value, Prudential may terminate the certificate. Prudential may transfer the cash value of the certificate directly to the new group contract. You will then be subject to the features and guidelines of the new contract. Please see your Booklet-Certificate for more information.

3. If the GUL certificate is classified as a modified endowment contract (MEC) under IRS rules, distributions from the Cash Accumulation Fund may be subject to unfavorable tax rules and a 10% federal tax penalty if made before age 59½. Withdrawals will reduce the Cash Accumulation Fund's cash value and life insurance benefit. Withdrawals taken from a non-MEC life insurance certificate are generally tax-free up to the recovery of cost basis unless the certificate is classified as a "cash rich" certificate under IRC Section 7702(f)(7).
4. A life insurance certificate can be exchanged into another life insurance policy, annuity, or long-term care contract tax-free under the rules of IRC Section 1035. Receiving a cash surrender value may have tax consequences. You should consult your tax advisor for guidance on your specific situation.
5. Changes to face amount are subject to requirements for evidence of insurability and your employer's benefit plan rules.
6. Prudential's GUL customer service center monitors all contributions because they are subject to plan and Internal Revenue Code maximums. If cash contributions exceed certain limits and the GUL coverage becomes a Modified Endowment Contract (MEC), different tax rules, and in some cases penalties, apply for lifetime distributions such as loans, withdrawals, and assignments (including distributions made in the two years prior to becoming a MEC). A MEC can result from premium payments or from a reduction in coverage (such as the purchase of paid-up life insurance). If this applies to you, Prudential will promptly notify you in writing of your status and advise you of your current options (if any) and by when you must respond. Prudential is not authorized to give tax advice—you should consult your tax advisor.
7. www.prudential.com

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Group Universal Life is issued by The Prudential Insurance Company of America, a Prudential Financial company, Newark, NJ. The Booklet-Certificate contains all details, including any policy exclusions, limitations, and restrictions, which may apply. Contract Series: 96945

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