

May 19, 2022

Notice regarding Individual Variable Annuities (IVA's) in retirement plans

Individual Annuities in Defined Benefit Plans are allowed:

- Subject to MMLIS IVA suitability requirements
- **Scenario 1:** If DB plan sold as “owner only”- no common law employees:
 - No restriction on approved Individual Annuity product shelf assuming Provider allows DB Plans.
 - Owner Only types:
 - Husband and spouse
 - Equal business partner ownership
 - Compensation is allowed per MMLIS retail IRA guidelines.
- **Scenario 2:** If DB plan is sold in a **multiple participant plan with common law employees:**
 - Subject to MMLIS ERISA Compensation guidelines:
 - Only VA from approved product shelf with up to maximum commission of 1% upfront and/or 1% trail (or less) are allowed.
 - VA's that currently fit this description on the product shelf (subject to minimum deposit rules and certain deposit restrictions):
 - Equitable Structured Capital Strategies Plus 21
 - Great American RILA (both versions)

Individual Annuities in Solo K Plans are allowed:

- Subject to MMLIS suitability requirements
- Solo K plans are sold as “owner only”- no common law employees:
 - No restriction on approved Individual Annuity product shelf assuming Provider allows the plan type as Solo K Plans.
 - Owner Only types:
 - Husband and spouse
 - Equal business partner ownership
 - Compensation is allowed per MMLIS retail IRA guidelines.

NEW: Individual Annuities in 401k Plans are allowed:

- **In ERISA retirement plans with multiple participants**
 - Subject to MMLIS ERISA Compensation guidelines:
 - VA from approved product shelf with up to maximum commission of 1% upfront and/or 1% trail (or less) are allowed.
 - Must be offered to all participants who qualify
 - Must have a core fund lineup in place.
 - Only the two products mentioned above are available

Questions on these scenarios can be answered by the Pension Resource Center: 800-842-4015 or mprcsales@massmutual.com.

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