MassMutual

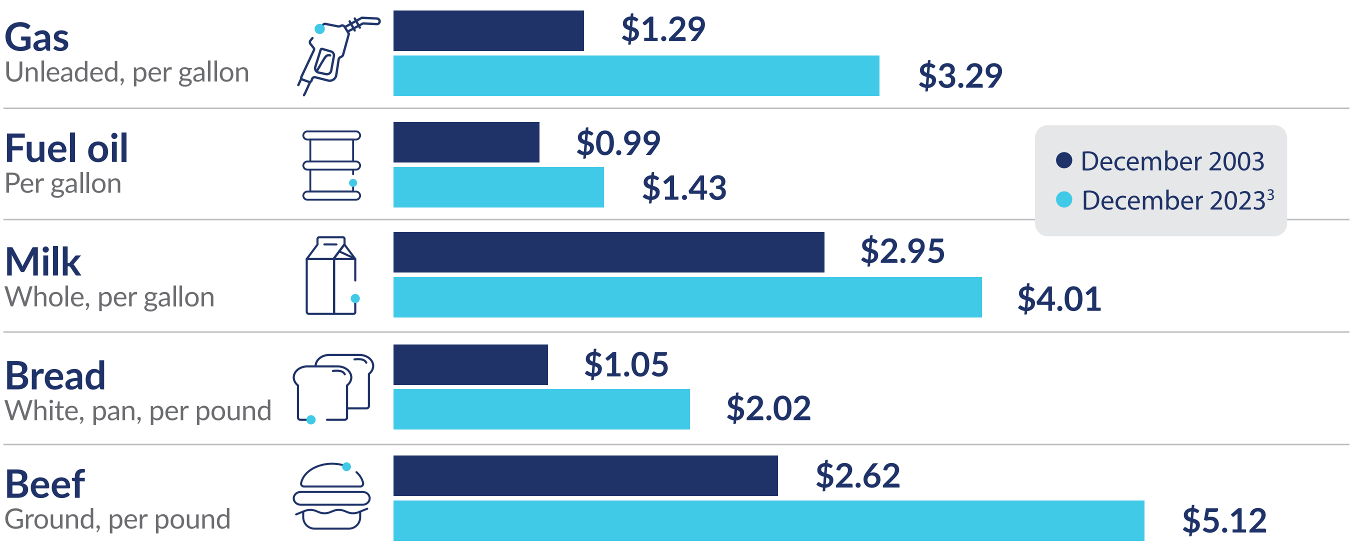
Impacts of inflation

Inflation causes purchasing power erosion and can impact your retirement savings, but there are strategies that may help offset inflation.

The average inflation rate for the past 20 years is 2.6%[1]

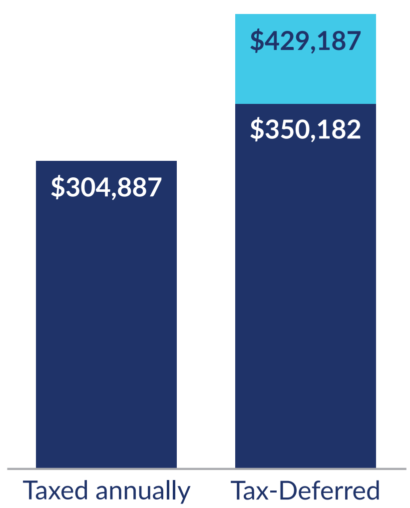
The inflation rate for the last 12 months is 4.1%[1]

If you bought something for $100 in 2002, **you would need $169 to buy that same item today**[2]



Which would you choose?

A hypothetical $100,000 investment on which the earnings are taxed annually would grow to $304,887 after 25 years. A hypothetical $100,000 tax-deferred investment would grow to $429,187 before tax over a 25-year period, **leaving $350,182 after tax.**[4]



It's not what you earn, it's what you keep.

Your goal while saving or investing is to earn more (after taxes) than the inflation rate. Earnings in an annuity are tax deferred until they are withdrawn, allowing your investment to benefit from fully compounding interest. There are a variety of annuity options in the market that can help you meet your retirement income needs.

Contact your financial professional to see how annuities can help you keep pace with inflation.

[1] 2003-2023, 12/3-12/23 U.S. Bureau of Labor Statistics **www.bls.gov/cpi/**

[2] **www.bls.gov/data/inflation_calculator.htm** December 2003 - December 2023

[3] Source: Average Price Data, U.S. Department of Labor, Bureau of Labor Statistics, **www.bls.gov**, January 11, 2024

[4] This hypothetical example is not intended to be a projection of future values and does not represent the performance of any MassMutual product. This example assumes a 24% federal income tax rate and an assumed 6% rate of return over 25 years, which is not guaranteed. The investment that is taxed annually assumes the earnings are taxed at 24% each year, and the taxes are paid from the same account. The tax-deferred investment assumes a full withdrawal of the account value at the end of the 25-year period with the withdrawal being taxed at 24%.

Note that lower maximum tax rates on capital gains and dividends would make the investment return for the taxable investment more favorable, thereby reducing the difference in performance between the investments shown. Withdrawals prior to age 59½ may be subject to an additional 10 percent federal income tax. Please consider your personal investment horizon and income tax bracket, both current and anticipated, when making an investment decision, as these may further reduce the results of the comparison.

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