A retiree life pre-funding program allows an employer to set aside money on a cost-effective basis, to cover retiree life insurance costs for both current and future retirees.

MetLife's retiree life pre-funding program is known as a Life Insurance Funding Account (LIFA) and provides numerous benefits to an employer.

**How does retiree life pre-funding work?**

**Setting up a retiree life pre-funding program with MetLife is easy**

- An amendment is added to an employer’s group term life insurance policy to establish a reserve often referred to as a retired lives reserve.
- The employer makes tax-deductible contributions to the reserve, which is credited tax-free interest, and is used to pay the annual group term retiree life insurance premiums.¹²
Funding approaches and pre-funding limits

- How do employers know how much to pre-fund? With MetLife’s program, we analyze an employer’s retiree life liability to develop pre-funding approaches based on the current and emerging retiree life insurance liability. The employer chooses a funding schedule that best fits their budget and has the flexibility of adjusting the schedule at any time.³
- In order to receive favorable tax treatment, pre-funding must be within certain limits.¹ MetLife’s actuaries can help employers adjust contributions to stay within these guidelines.

Interest credited to the reserve

- Interest crediting rates are declared in advance, based on the initial amount deposited to the reserve, and are generally reset annually based on the balance maintained. MetLife offers employers the opportunity to receive a minimum guaranteed interest crediting rate on their funding balance.⁴,⁵

Over 50 years of experience

At MetLife, we understand that pre-funding for retiree group term life is a strategic decision, so we’ve combined our analytic, insurance, and investment capabilities to provide an approach that is designed to fit each client’s budget while meeting their benefit goals.

MetLife is unique in the market for having a dedicated Post Retirement Benefits (PRB) team of professionals with over 50 years of experience in developing retiree life solutions. Long-term solutions that help employers meet the promises made to current and future retirees are only as good as the company that stands behind them. MetLife is one of the world’s largest and most stable financial services companies, and our ratings reflect this.⁶

Please contact a member of the MetLife team below for more information:

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1. To enjoy the tax advantages associated with this product, prefunding must be within Tax Code limits which generally limit prefunding for group term retiree life insurance to a $50,000 maximum coverage amount over the working lives of covered employees and actuarially determined on a level basis.
2. Neither MetLife nor its representatives provide tax, accounting, legal or investment advice. The rules relating to such matters are subject to interpretation and change the appropriateness of any product for any specific company and may vary depending on the facts and circumstances. Employers should consult with and rely upon their own tax, accounting, legal or investment advisors.
3. Exhibits or financial analysis produced by MetLife may not be used for financial reporting or as an official external actuarial valuation of your life plan liabilities for audit or regulatory reporting purposes. While MetLife can share its views, MetLife cannot provide tax, legal or accounting advice to customers.
4. The interest crediting guarantee is contingent on the reserve fund balance being maintained in an amount equal to at least two years of group term life insurance premium on the covered retiree group. If the fund balance falls below this threshold, the interest crediting rate reverts at the next reset period, to the discount rate on six month treasury bills, set at the first weekly auction in the month, plus 0.25%. This revised interest rate is reset each month and is guaranteed for that month.
5. All guarantees are subject to the financial strength and claims-paying ability of Metropolitan Life Insurance Company.
6. For current ratings information and a more complete analysis of the financial strength of Metropolitan Life Insurance Company, please go to www.metlife.com and click on “About MetLife,” “Ratings.”