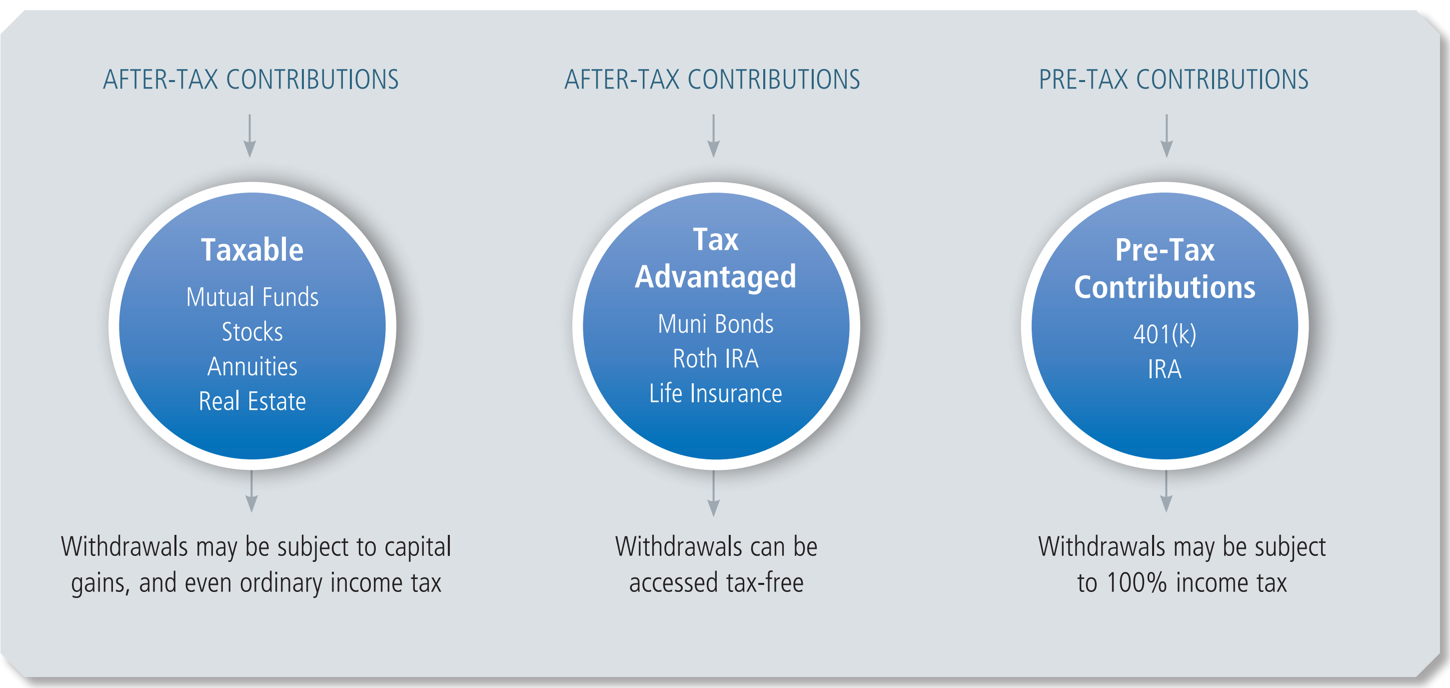
JohnHancock INSURANCE

ADVANCED MARKETS

Don't Put All Your Tax Eggs in One Basket – The Case for Tax Diversification in Retirement Planning

Diversification is one of the most popular planning techniques in the financial services industry. The old adage of "Don't put all your eggs in one basket" comes to mind when talking to producers and clients. A concern for many of your clients would be: how can you reduce their income tax liability through proper financial planning?

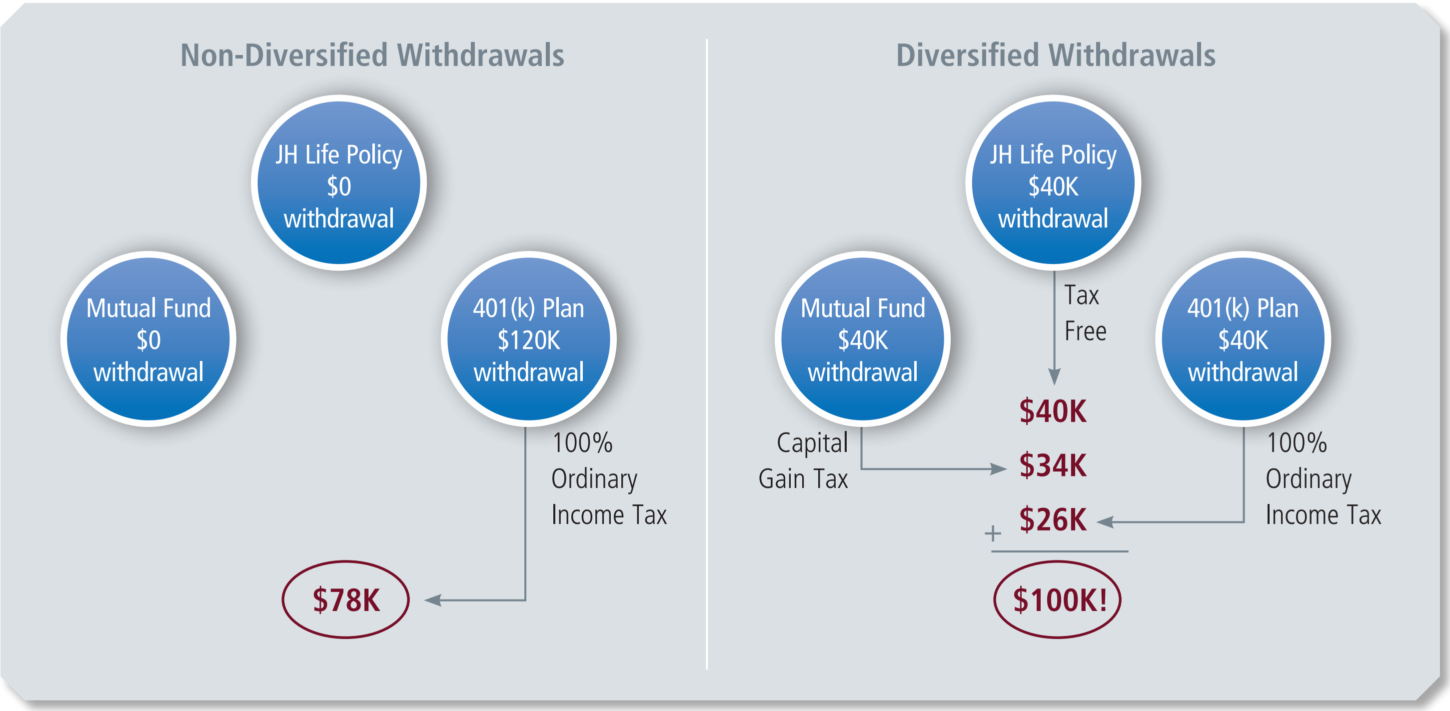
Take a look below to see how various vehicles may be taxed:



Why is tax diversification important and how does it work?

Clients need to decide where to invest their additional retirement savings. Diversifying the income tax treatment of investments can reduce income taxes in retirement. Let's assume Mary and John Smith withdrew $120K from their 401(k), they would be left with $78K (assuming a 35% tax rate). Instead, if they took $40K from each of the three alternatives, $40K from their 401(k), $40K from a mutual fund, and $40K from a John Hancock permanent life insurance policy, they could potentially receive net income of $100k (assuming a 35% income tax bracket and 15% in capital gains taxes).

As you can see, diversifying taxes is an important part of retirement planning. Life insurance can provide supplemental income in a tax-favored way (without the same limitations that are placed on retirement plans), and has the death benefit for the heirs.



For more information, please contact the Advanced Markets Group at (888) 266-7498, option 3.

For Agent Use Only. This material may not be used with the public.

Life Insurance can offer tax free distributions as long as the policy is structure properly. Modified Endowment contracts (MEC), lapsing or surrendering a contract may cause income taxation.

Roth IRAs can offer tax free distributions, but if money is accessed prior to 59½, the distributions may be subject to income tax and 10% penalty. There are also income limitations on Roth Contributions.

Pretax accounts, generally include 401k and IRAs. Withdrawals prior to age 59½ may result in a 10% penalty and taxes.

This material does not constitute tax, legal or accounting advice and neither John Hancock nor any of its agents, employees or registered representatives are in the business of offering such advice. It was not intended or written for use and cannot be used by any taxpayer for the purpose of avoiding any IRS penalty. It was written to support the marketing of the transactions or topics it addresses. Anyone interested in these transactions or topics should seek advice based on his or her particular circumstances from independent professional advisors.

Loans and withdrawals will reduce the death benefit, cash surrender value, and may cause the policy to lapse. Lapse or surrender of a policy with a loan may cause the recognition of taxable income. Policies classified as modified endowment contracts may be subject to tax when a loan or withdrawal is made. A federal tax penalty of 10% may also apply if the loan or withdrawal is taken prior to age 59½.

Life insurance death benefit proceeds are generally excludable from the beneficiary's gross income for income tax purposes. There are few exceptions such as when a life insurance policy has been transferred for valuable consideration. Comments on taxation are based on John Hancock's understanding of current tax law, which is subject to change. No legal, tax or accounting advice can be given by John Hancock, its agents, employees or registered representatives. Prospective purchasers should consult their professional tax advisor for details.

Scan this code to find out more.

Insurance products are issued by: John Hancock Life Insurance Company (U.S.A.), Boston, MA 02210 (not licensed in New York) and John Hancock Life Insurance Company of New York, Valhalla, NY 10595.

MLINY012317089