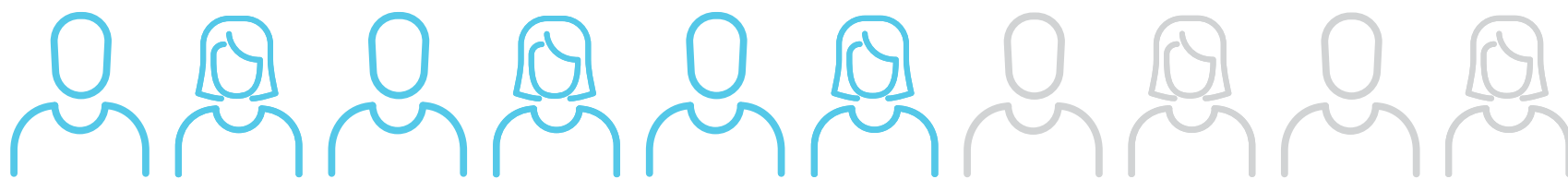


# The Impact of Chronic Illnesses in the Workplace

Chronic illnesses are impacting **workers and employers** across America.

## THE PROBLEM IS LARGE AND GROWING



**6 in 10 Americans**

currently have at least one chronic disease. **4 IN 10** have two or more.<sup>1</sup>

<sup>1</sup>Longtermcare.gov, U.S. Department of Health and Human Services. 2019.

And...

**70%**

**OF PEOPLE AGE 65 TODAY** will need long-term care at some point during retirement.<sup>2</sup>

<sup>2</sup>The MassMutual Chronic Care Research Study, conducted by PSB Research, polled 1,250 adults aged 30 -60. The Survey was completed in November 2019 and published June 2020.

## CHRONIC ILLNESSES ARE COSTLY FOR WORKERS

Even with health insurance, chronic illness can pose a significant financial burden, especially when one's ability to work is impacted.

According to the 2020 MassMutual Chronic Care Survey:

**79%**

of workers are very/somewhat **CONCERNED** about suffering a chronic condition as they age.

Yet...

NEARLY **6 IN 10**

either underestimate or are **UNSURE OF THE WEEKLY COST** of home-based healthcare.



## THEY ALSO DRIVE UP EMPLOYER COSTS

Every year, chronic illnesses cost employers billions of dollars in increased health care costs and lost or reduced productivity.<sup>3</sup>

<sup>3</sup>Integrated Benefits Institute, November 15, 2018. <https://www.ibiweb.org/poor-health-costs-us-employers-530-billion-and-1-4-billion-work-days-of-absence-and-impaired-performance/>

### Average annual healthcare spending by employers for workers with chronic illness<sup>4</sup>

**\$1,320** 1X

HEALTHY EMPLOYEE



**\$4,668** 3.5X

EMPLOYEE WITH A CHRONIC ILLNESS



**\$10,830** 8.2X

EMPLOYEE WITH ONE OR MORE COMPLEX CHRONIC ILLNESSES



<sup>4</sup>Medical Cost Trend: Behind the Numbers 2020, PwC. June 2019. <https://www.pwc.com/us/en/industries/health-industries/assets/pwc-hri-behind-the-numbers-2020.pdf>

## PREPARING FOR WHAT'S NOW AND WHAT'S NEXT

A chronic care benefit, which is part of every MassMutual group life insurance plan in approved states, can help ease the financial strain of a chronic illness at no added premium cost to employers or their employees.<sup>5</sup>

<sup>5</sup>The fee for the Chronic Care Benefit is a present value adjustment shown as a percentage of the Eligible Amount for the Chronic Care Benefit. The percentage depends on the Insured's age at the time the benefit is exercised: 18% for ages 45 and above; 27% for ages 44-35; 36% for under age 35. In the states of Kansas and Minnesota the term "fee" is replaced with "Actuarial Discount." For Montana, "fee" is replaced with "Reduction."

## EMPLOYERS

- Offers a way to enhance employee benefits at no extra cost to the business.
- Can help fill gaps in core benefits.
- Address employee concerns: 73% of workers are interested in purchasing long-term or chronic care coverage at work.<sup>2</sup>
- Create a competitive tool to attract and retain top talent.



## EMPLOYEES

- Receive a one-time advance, or acceleration, of a portion of the death benefit if the insured becomes chronically ill.<sup>6</sup>
- Benefit is paid in a lump sum, income tax free, and can be used for any expense they choose.<sup>7</sup>
- Pay for the chronic care benefit only if they use it.

<sup>6</sup>MassMutual 2020 Chronic Care Survey. The MassMutual Chronic Care Research Study, conducted by PSB Research, polled 1,250 adults aged 30-60. The Survey was completed in November 2019 and published June 2020.

<sup>7</sup>The payment of the Chronic Care Benefit will reduce the certificate's death benefit and any cash value. The certificate's premium payments will then be based on the reduced amount of insurance and the rates in effect for the policy. Receipt of the Chronic Care Benefits under the certificate MAY AFFECT MEDICAID and SUPPLEMENTAL SECURITY INCOME ("SSI") eligibility. Contact the Medicaid Unit of the local Department of Public Welfare and the Social Security Administration Office for more information.

The Chronic Care Benefit is intended to qualify for favorable tax treatment under Section 101(g) of the Internal Revenue Code. Based upon the current tax code, benefits provided by this Endorsement may be taxable if the Insured is not the certificate owner, the spouse of the certificate owner, or the dependent child of the certificate owner. Certificate owners should seek tax advice from their tax advisor prior to requesting a Chronic Care Benefit payment.

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For more information, visit  
[www.MassMutualatwork.com/worksite](http://www.MassMutualatwork.com/worksite).

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The products and/or certain features may not be available in all states. State variations may apply.

Group Whole Life Insurance (GPWL), (policy/certificate forms MM-GPWL-2014 and MM-GCWL-2014, and MM-GPWL-2014 (NC) and MM-GCWL-2014 (NC) in North Carolina), is level-premium, participating permanent life insurance.

