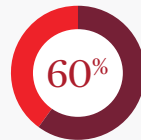


What you can offer the owner

“What if I could not only help you retain and reward your best employees but also help them better prepare for retirement?”

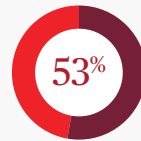
Competition for key talent is tough.

You can help with solutions for competitive benefits. Small businesses need strategies to attract and retain talent.



of owners say they're hiring or trying to hire new talent,

but

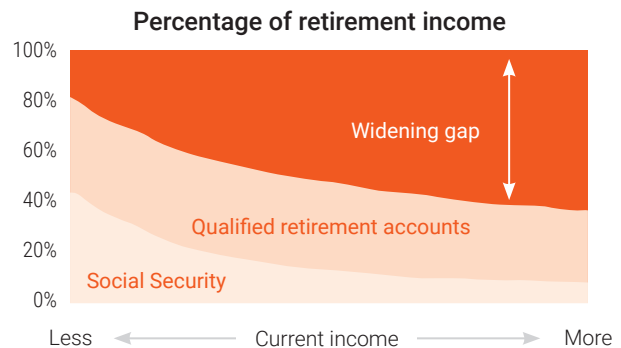


of these employers claimed that there are few or no qualified applicants for the positions they're trying to fill

Source: "NFIB Small Business Economic Trends," www.nfib.com, October 2019.

Key employees need ways to save more for the retirement they want. You can help them fill the gap.

If your key executives rely solely on your qualified plan and Social Security benefits for retirement income, they may outlive their savings. Unfortunately, the retirement income gap increases with their compensation.



Reward select key employees



An **executive benefit plan** using life insurance can provide a simple yet powerful addition to an owner's total executive compensation benefit package for their top performers. The owner maintains control of who will participate, and their employee has little to no out-of-pocket expense. And if employee retention is a concern, the owner could restrict the employee's access to the policy's cash value for a period of time such as until retirement.

Considerations for the business

- **Recruit, reward, retain** – A powerful tool to attract and retain top talent with custom-designed plans
- **Freedom** – Discretion to select which employees can participate
- **Flexible** – Deferred compensation plans can be tailored to meet corporate objectives and complement other salary and benefit programs

Considerations for the key executives

- **Financial protection** – A cost-effective way to obtain survivor benefits
- **Provides a supplemental retirement resource** – Helps narrow the gap between preretirement and retirement income
- **Tax-advantaged** – Cash value that grows tax-deferred

The executive benefit spectrum



	Executive Bonus (Section 162)	Loan Regime Split Dollar Plan	409A Deferred Compensation Plan
Policy ownership	Employee	Employee/Employer	Employer
Corporate tax deductibility/employee taxation	Immediate (assuming reasonable compensation)	Deferred	Deferred
Financial reporting	No liability created	Split-dollar loan balance booked as a company asset; no liability created	Accrual of SERP benefit liability; policy cash value is carried as an asset
Plan control	Company has no or limited control of employee's policy	Employer maintains control of policy equal to net premium loan balance	Employer maintains full control over policy but liable for SERP agreement benefits
Plan documentation/administration	Lincoln <i>LifeComp</i> ®	Lincoln <i>LifeComp</i>	Third-party administrator and/or legal counsel

