



National Life  
Group®

Experience Life®

## EXECUTIVE BENEFIT PLAN OPTIONS

Are you considering a compensation and benefit package for yourself or your key people?

**The good news...you have a spectrum of programs to choose from – each provides different:**

- Tax benefits
- Personal or business control over the program
- Government regulations

**Which program or programs you select will depend, in part, on your answer to two preliminary questions:**

**What do you want?**

**What do you already have?**

As you consider these two questions, let's look at that spectrum of choices you have.

National Life Group® is a trade name of National Life Insurance Company, Montpelier, VT, Life Insurance Company of the Southwest (LSW), Addison, TX and their affiliates. Each company of National Life Group is solely responsible for its own financial condition and contractual obligations. LSW is not an authorized insurer in New York and does not conduct insurance business in New York.

## Qualified Plans

- Current Tax Deduction
- Contribution not included in income
- Tax deferred accumulation
- May purchase life insurance with pre-tax dollars
- Pure death benefit from life insurance inside the plan payable income tax free
- Income tax payable only on distributions from the plan

## Executive Bonus Plan Funded with Life Insurance

- Current Tax Deduction
- Potential to access cash value during your lifetime using tax free loans and withdrawals<sup>1</sup>
- Tax deferred accumulation of cash value
- Income tax free death benefit<sup>2</sup>
- Opportunity for accelerated benefits in the event of a qualifying terminal, chronic or critical illness, or critical injury
- Selective participation

## Split Dollar Loan Arrangements

- Business will pay the premiums on a permanent life policy owned by the insured.
- The business will treat the payment as a loan to the insured at minimum federal interest rates
- Insured's out of pocket equals the interest due on the loan
- Business recovers outlays when loan is repaid through policy

- Tax deferred accumulation of cash values
- Income tax free death benefit
- Opportunity for accelerated benefits in the event of a qualifying terminal, chronic or critical illness, or critical injury
- Selective participation

## Salary Continuation Informally Funded with Life Insurance

- Promise to pay a future benefit
- Tax deduction received when the benefit is paid
- Tax deferred growth for participant
- Selective participation

As you can see, each of these choices will deliver different results. In many cases, a combination of programs will actually work best to deliver positive results to you, your business and your key people.



### **NEXT STEPS:**

Connect with a Financial Professional to start your plan today. >>

<sup>1</sup> The use of cash value life insurance to provide a tax-free resource assumes that there is first a need for the death benefit protection. Policy loans and withdrawals reduce the policy's cash value and death benefit and may result in a taxable event. Withdrawals up to basis paid into the contract and loans thereafter will not create an immediate taxable event, but substantial tax ramifications could result upon contract lapse or surrender. Surrender charges may reduce the policy's cash value in early years.

<sup>2</sup> Internal Revenue Code Section 101(a)(1). There are some exceptions to this rule. Please consult a qualified tax professional for advice concerning your individual situation.

Payment of Accelerated Benefits will reduce the Cash Value and Death Benefit otherwise payable under the policy. Receipt of Accelerated Benefits may be a taxable event and may affect your eligibility for public assistance programs. Please consult your personal tax advisor to determine the tax status of any benefits paid under this rider and with social service agencies concerning how receipt of such a payment will affect you.

Riders are supplemental benefit that can be added to a life insurance policy and are not suitable unless you also have a need for life insurance. Riders are optional, may require additional premium and may not be available in all states or on all products. This is not a solicitation of any specific insurance policy.