

BUSINESS PROFILE

Help business attract and retain key talent

Golden executive match

Your sales opportunity

Business owner(s) wishing to:

- Reward and retain their key people with a simple, cost-effective and **tax-deductible** strategy
- Provide key employees with an incentive that helps drive business profitability and growth
- Retain control over the program
- Foster loyalty with key employees

Solution: golden executive match

A **golden executive match** is an arrangement that provides a bonus to reward and retain essential employees. The bonus amount matches taxes the employee paid on income used to pay premiums on a life insurance policy. The key employee¹ is the owner and beneficiary of the life insurance policy. This arrangement allows the employee to contribute a greater amount to a life insurance policy.

Four valuable features

1. A cost-effective alternative to golden executive bonus arrangements.
2. In the event of the key employee's death, the family receives an income tax-free death benefit.
3. Cash value from the life policy provides a source of supplemental retirement funds the employee can access in an income-tax-advantaged manner. This policy may also be part of an estate planning strategy.
4. Can optionally establish obligations for the employee to fulfill before attaining full rights of ownership in the policy, allowing the employer to retain control over the arrangement.

Target client

- Single or multiple business owners
- Has a key employee
- Key employee provides expertise in client relationships, industry knowledge, sales or management

Key employees

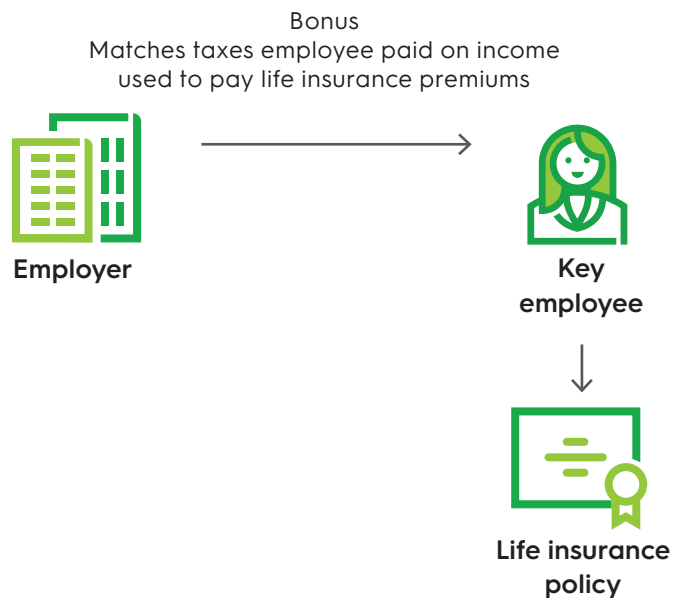
Sales professionals
Managers
Executives
Other highly compensated employees

Not considered key employees

Business owner
Rank-and-file employees

How it works

- If golden handcuffs are desired, employer and key employee may engage in an employment contract.
- Employee takes out a personal life insurance policy and names a beneficiary.
- Employer pays a **tax-deductible** bonus to the employee.
- The bonus paid matches what the employee originally paid in taxes on the income used to pay the premiums. The match mimics tax deferral for the premiums paid on the life insurance policy.
- Policy instructions, as part of the optional employment agreement, restrict the employee's access to policy values.
- If the employee dies, the death benefits are payable to the beneficiary.





Learn more

Do you have business owner clients who could benefit from a golden executive match arrangement to attract and retain key employees? We can help — call our Advanced Sales Team today: **1-888-413-7860, option 3**

1. Key employees must be either highly compensated employees or management.

Life insurance products contain fees, such as mortality and expense charges (which may increase over time), and may contain restrictions, such as surrender periods.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

Policy loans and withdrawals may create an adverse tax result in the event of lapse or policy surrender, and will reduce both the surrender value and death benefit. Withdrawals may be subject to taxation within the first fifteen years of the contract. Clients should consult their tax advisor when considering taking a policy loan or withdrawal.

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