



# Reward Key Employees

**Identify and train successors early in process**

**Create golden handcuffs for successors and key employees whether family members or not**

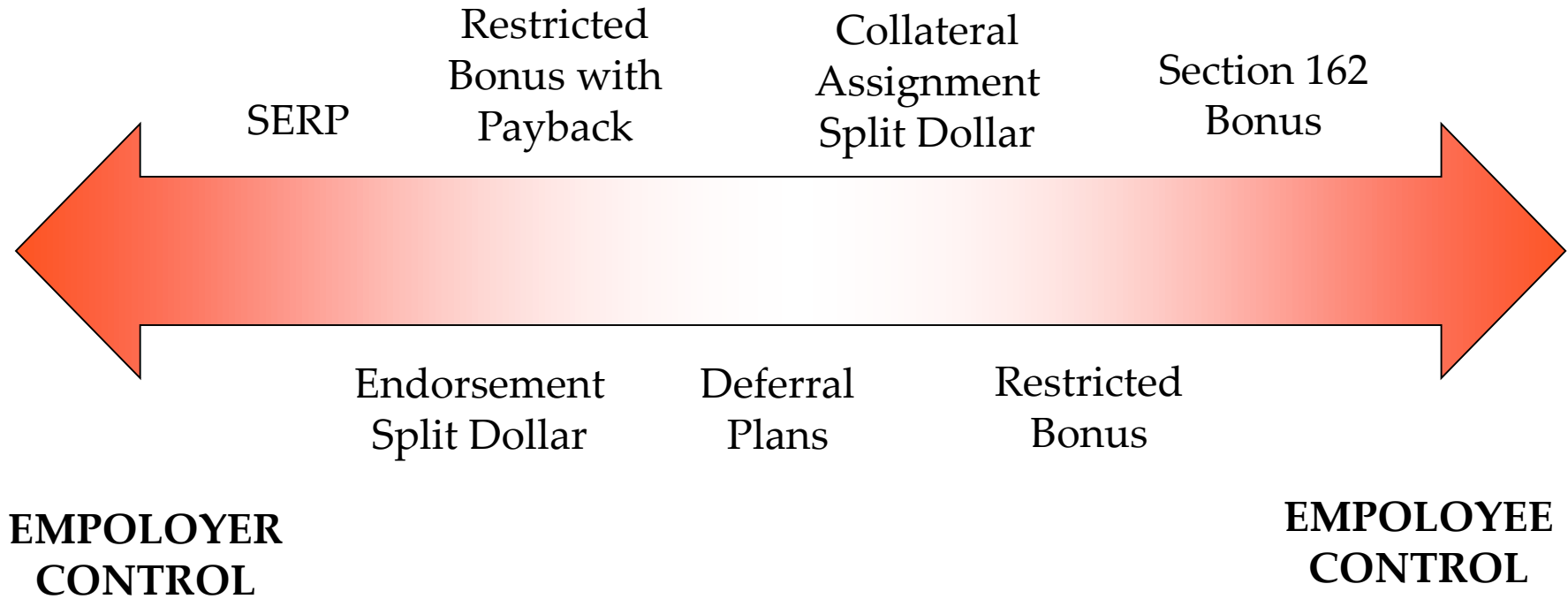
**Provide structured executive fringe benefit programs that make sense for employees and employer**

**Take advantage of qualified and non-qualified benefits for owner, heir apparent, & executives**

**Life insurance is often used in executive benefit planning due to the unique characteristics it offers**



# Spectrum of Control





## EXECUTIVE FRINGE BENEFITS

# The Details...

	<b>Non-Qualified Plans</b>	<b>Bonus Plans</b>	<b>Split Dollar</b>
<b>Tax-Deductible</b>	No	Yes	No
<b>Corporate Control</b>	Yes	No (except for restricted endorsement)	Limited
<b>Cost Recovery</b>	Usually	No (except for restricted/payback)	Yes, But Usually at Death
<b>Financial Statement Impact</b>	Accrue Liability	Charge to Earnings	No or Low Impact
<b>Vesting &amp; Control</b>	Employer	Executive	Employer & Employee
<b>Plan Benefit Risk</b>	Employer	Executive	Employer & Employee
<b>Security</b>	Executive is Unsecured Creditor	Secured by Policy/Funding	Secured by Policy/Funding
<b>Perception</b>	No Current Tax, But Unsecured Promise	Advantageous, Except for Taxes	Complexity, Minimal Taxation



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# Disclosures

The example provided is not representative of all clients' experiences and are not indicative of any future performance or results. This is for informational purposes only.

This information has been taken from sources, which we believe to be reliable, but there is no guarantee as to its accuracy. This material is intended for informational purposes only and should not be construed as legal or tax advice and is not intended to replace the advice of a qualified attorney, tax advisor or plan provider.

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