Looking for ways to help retain key employees?

Our attractive product features offer flexibility with the ability to use your life insurance benefits while you are still living. It's life insurance you don't have to die to use.

SCENARIO

Create an executive bonus arrangement.

Theresa owns an interior design firm and depends on manager Kathy (50) to keep the business running smoothly. She would like to reward Kathy for her efforts and at the same time encourage her to continue working until her retirement. She also wants this cost to be tax deductible to the company. After consulting with her financial advisor, Theresa establishes an executive bonus plan for Kathy.

A SOLUTION

A policy that benefits you and your business.

Under this executive bonus plan, a $1 million Secure Lifetime GUL 3 policy is purchased. The flexible features allow the policy to be structured with premiums to age 65 and a guarantee to age 105.

- The business pays the insurance premium as an executive bonus, which is tax-deductible to the company.
- The Secure Lifetime GUL 3 policy provides immediate $1,000,000 death benefit protection for Kathy's family.
- Premiums: $23,375 per year[1] paid for 15 years using the company cash bonuses.
- Additional bonuses are made to Kathy to cover any tax liabilities.

Policies issued by American General Life Insurance Company (AGL), Houston, TX and The United States Life Insurance Company in the City of New York (US Life), members of American International Group, Inc. (AIG).

 The example presented is a hypothetical representation for illustrative purposes only.

Secure Lifetime GUL 3

provides a death benefit to Kathy's beneficiaries AND allows her access to the accumulated cash values if needed.

Theresa's firm provides an executive bonus that Kathy uses to purchase a Secure Lifetime GUL 3 policy.

Premiums are tax-deductible by Theresa's firm.

Kathy is the owner of the policy and can name her own beneficiaries.

Upon retirement, Kathy's policy is hers with no extra premiums until age 105.

RESULTS

Kathy has life insurance coverage and the firm pays the cash bonus under the executive bonus arrangement as long as she remains employed with the firm. In addition: By age 80, the Secure Lifetime GUL 3 policy will have guaranteed cash value of $86,723, which can be accessed if necessary.

- Costs are tax deductible by Theresa's company as long as the expenses meet the qualifications under the Internal Revenue Code.[2,3]
- Kathy is the owner of the policy and can name her own beneficiaries.
- Upon Kathy's retirement the policy is hers and is guaranteed to age 105. Note that if she desires coverage past age 105, she will need to pay additional premiums.
- If Kathy leaves the firm before age 65, she can take the policy with her and continue to make premium payments herself.

This extra benefit gives Kathy an incentive to remain with the firm until retirement age. And, as the policy owner, Kathy will have access to the guaranteed cash value accumulation of the policy should she need it.

[1] Quoted values based on female, issue age 50, Preferred Non-tobacco underwriting class. Quote dated 5/15/2021 for the state of Texas.

[2] For advice concerning your individual circumstances, consult a professional attorney, tax advisor or accountant.

[3] Internal Revenue Code Section 162.

For more information, contact your financial professional.

Financial Professional

Agency

Telephone

Email

License No. (if req'd)