

Keep key employees happy with help from life insurance

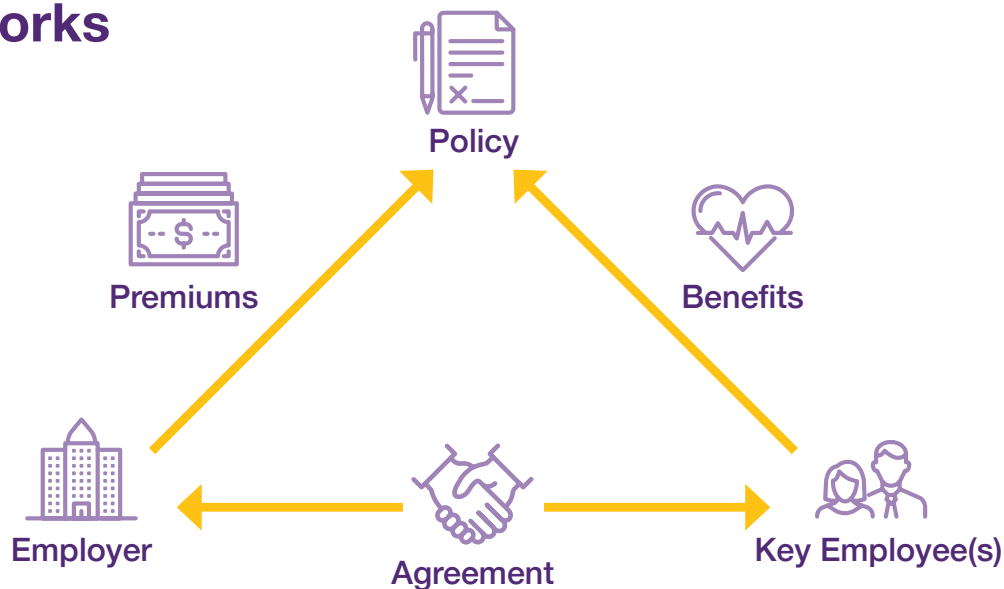
An Executive Bonus Plan can help employers **recruit, reward** and **retain** top talent by offering key employees an additional benefit using cash value life insurance.

Under the terms of a written legal agreement, the employer covers the cost of the life insurance policy by either paying the premiums directly to F&G or by way of a cash bonus allowing employees to pay the policy premiums themselves. Generally, these payments are deductible by the employer and considered additional taxable compensation to the employee.¹ The key employee owns the life insurance policy, designates the beneficiary, and may access other benefits such as cash value and accelerated benefits.

Why life insurance:

Bonus plans funded by life insurance hold all of the same benefits as an individually-owned policy, but are funded by the employer. The cash value grows tax-deferred and income can be tax free if structured properly.²

How it works



² Surrenders, withdrawals and loans will reduce available death benefit and may be subject to surrender charges. Surrenders and withdrawals beyond basis may be taxable income and subject to penalties if taken prior to age 59 ½. Excessive and unpaid loans will reduce policy values and may cause the policy to lapse. In order to receive favorable tax treatments on distributions made during the lifetime of the insured (including loans), a life insurance policy must satisfy a 7-pay premium limitation during the first seven policy years. A new 7-year limitation will be imposed after certain policy changes. Failure to satisfy this limitation would cause your policy to be considered a Modified Endowment Contract (MEC).

Benefits

Employer	
✓	Potentially more tax-efficient way to reward top talent
✓	Easy to communicate and maintain due to its simple and flexible design
✓	Provides employees additional compensation at a fraction of the current cost to the employer
✓	Depending on the plan design, “golden handcuffs” can reinforce the mutually beneficial relationship to keep key employees with the company

Employee	
✓	Provides long-term financial incentives
✓	Helps to narrow the retirement income gap for highly-compensated employees, offering another financial vehicle that isn’t subject to qualified plan limits
✓	Protects families of key employees in the event of their death
✓	Offers access to living benefits

Types of bonuses

Single
Paid into the life insurance by employer.
The key employee pays any taxes due on that bonus.

Double
Paid into the life insurance by employer.
The key employee pays any taxes due using additional bonus money paid by the employer.

Contact your financial or insurance professional today at 888.513.8797, and let’s get to work ensuring you have a bright tomorrow.

¹ Deductions are subject to reasonable compensation restrictions [Internal Revenue Code Section 162(a)]. Subject to state availability. Certain restrictions may apply. Issuance may be dependent on answers to the health questions on the application.

“F&G” is the marketing name for Fidelity & Guaranty Life Insurance Company issuing insurance in the United States outside of New York and, in New York only, Fidelity & Guaranty Life Insurance Company of New York. Each Fidelity & Guaranty Life company is solely responsible for its contractual commitments.

Life insurance involves fees and charges, including possible surrender penalties for early withdrawal. Death benefits are generally tax-free to a properly named beneficiary.

Guarantees are based on the claims paying ability of the issuing insurer, Fidelity & Guaranty Life Insurance Company, Des Moines, IA.

A Fidelity & Guaranty Life Insurance Company financial professional can help you determine the suitable alternatives for your goals and needs, or visit us at fglife.com for more information.

Information provided regarding tax or estate planning should not be considered tax or legal advice. Consult your own tax professional or attorney regarding your unique situation.