



Individual Life Insurance

Insurance products issued by: Minnesota Life Insurance Company Securian Life Insurance Company

#### **BUSINESS PROFILE**

## Help business attract and retain key talent

### Golden executive bonus arrangement

#### Your sales opportunity

Business owners wishing to:

- Reward and retain their key people with a simple, tax-deductible strategy
- Provide key employees with an incentive that helps drive business profitability and growth
- Foster loyalty with key employees while ensuring knowledge transfer and business continuity

#### Solution: golden executive bonus arrangement

A golden executive bonus arrangement provides a bonus to reward and retain essential employees. The bonus is paid as a premium on a cash value life insurance policy. The key employee<sup>1</sup> is the owner and beneficiary of the policy. To access the life insurance policy's cash value, the key employee must remain with the company for a specified number of years.

#### Three valuable features

- 1. In the event of the key employee's death, the family receives an income-taxfree death benefit.
- 2. The cash value from the life insurance policy provides a source of retirement funds that the employee can access in an income-tax-advantaged manner. This policy may also be part of an estate planning strategy.
- 3. An employment contract creates a set of obligations for the employee to fulfill before attaining full ownership rights of the policy. This helps the business recoup expenses if obligations are not fulfilled.

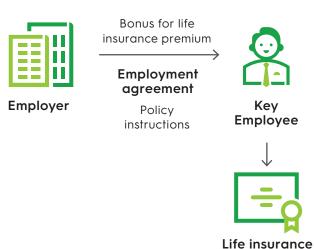
#### **Target client**

- 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

#### **How it works**

- Employer and key employee engage in an employment contract.
- Employer pays a **tax-deductible** bonus to the employee.
- Employee pays income taxes on the bonus amount. The employer may choose to pay the income taxes for the employee as an additional bonus.
- Employee takes out a personal life insurance policy and names a beneficiary.
- The bonus is used to pay the premium on the life insurance policy to Minnesota Life or Securian Life, a New York authorized insurer.
- Policy instructions filed with the insurance company restrict employee's access to policy cash value.
- If the employee dies, death benefits are payable to the beneficiary.



policy



#### **Learn more**

Do you have business owner clients who could benefit from a golden executive bonus 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 charges, such as Cost of Insurance Charge, Cash Extra Charge, and Additional Agreements Charge (which we refer to as mortality charges), and Premium Charge, Monthly Policy Charge, Policy Issue Charge, Transaction Charge, Index Segment Charge, and Surrender Charge (which we refer to as expense charges). These charges may increase over time, and these policies may contain restrictions, such as surrender periods. Policyholders could lose money in these products.

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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Insurance products are issued by Minnesota Life Insurance Company in all states except New York. In New York, products are issued by Securian Life Insurance Company, a New York authorized insurer. Minnesota Life is not an authorized New York insurer and does not do insurance business in New York. Both companies are headquartered in St. Paul, MN. Product availability and features may vary by state. Each insurer is solely responsible for the financial obligations under the policies or contracts it issues.

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