



## Protecting what's most important

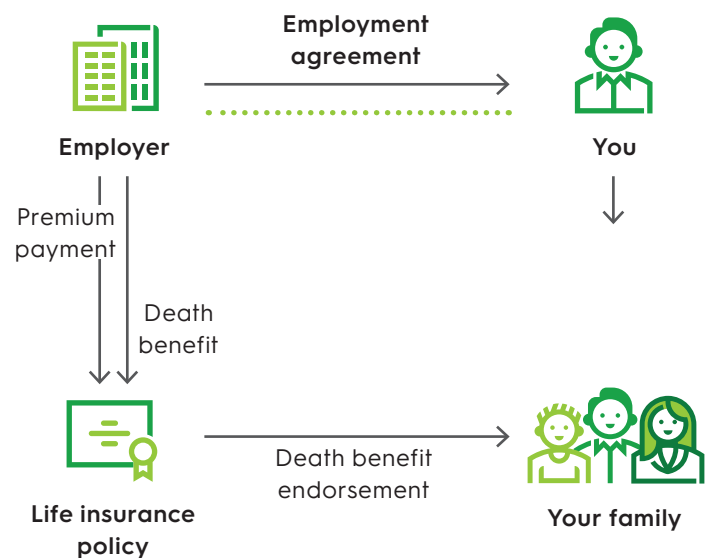
Congratulations! Your employer would like to reward your loyalty and hard work with financial protection for your family.

You're concerned with protecting your family financially in case you die. Your employer can help you accomplish that with an endorsement split-dollar strategy called key person plus. This strategy can provide low-cost life insurance protection for your family and protect the company from your loss.

### How does key person plus help protect your family?

#### While working: your commitment to the company

- With your written consent, your company purchases and owns a life insurance policy on your life.<sup>1</sup>
- A portion of the death benefit is endorsed to you as a survivor benefit for your family.
- The company pays the premium, and you pay taxes on the reportable economic benefit of the premium.



- This amounts to compensation, so you will have to:
  - Pay taxes on what is considered the “reportable economic benefit” of the life insurance premium, or
  - Reimburse your employer for the amount of the economic benefit.
- The economic benefit is calculated based on the life insurance policy’s death benefit.
- Should you die during your working years, your company and your loved ones are protected by the life insurance death benefit.

## Understanding your key person plus benefits

Benefits	Considerations
• Low-cost death benefit coverage during your working years.	<ul style="list-style-type: none"> <li>• Will be taxed annually on the economic value of the premium paid.</li> <li>• No access to or control of the policy.</li> </ul>

## Reportable economic benefit

This is a calculation of the tax obligation for the death benefit provided in this type of arrangement. It is calculated using IRS Table 2001 term rates or annual renewable term rates provided by the issuing life insurance company.



## Learn more

How can the key person plus strategy help you provide protection for your family while you’re working? Contact your employer today to take advantage of this low-cost benefit option.

1. A life insurance policy informally funding an NQDC plan is subject to the notice and consent rules for employer-owned life insurance (EOLI). Failure to comply with these rules will subject any death benefit paid to the employer to income tax.

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

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.

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F71834-124 Rev 3-2025 DOFU 3-2025  
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