

**Individual Life Insurance**

Protection supplemental executive retirement plan (protection SERP)

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



**Because your contribution is important**

**Congratulations! Your employer is rewarding you for your loyalty and hard work with a supplemental retirement benefit that includes financial protection for your family.**

Your employer recognizes the dedication you bring to work every day. In appreciation of your contributions, the company would like to offer you a protection supplemental executive retirement plan (protection SERP), which includes a family protection component.

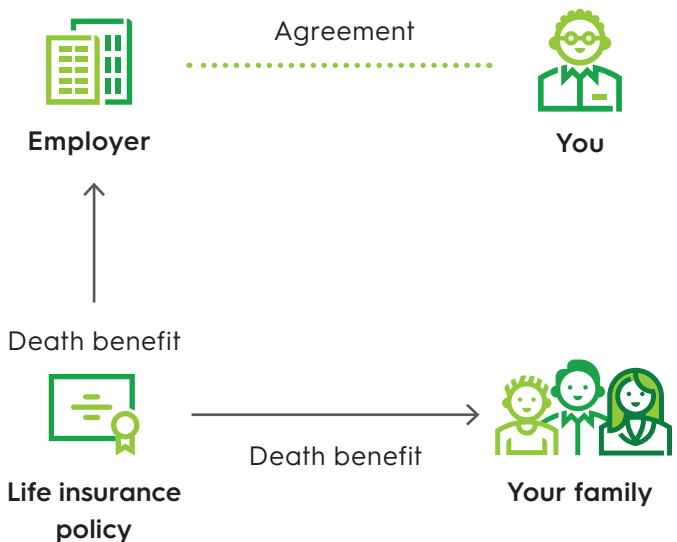
Protection SERP combines exclusive retirement benefits, as well as a death benefit for your family, in exchange for your continued employment. This supplemental benefit is only available to highly compensated and management-level employees.

**How can protection SERP provide retirement benefits and protect your family?**

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

You and your employer enter into an agreement, specifying:

- The retirement benefit you will receive
- An employment commitment
- A vesting schedule
- The company’s ownership of a permanent life insurance policy on your life, subject to regulations regarding your notice and consent<sup>1</sup>
- Endorsement of a portion of the policy’s death benefit to provide your family financial protection while you are working for the company



Your employer pays the premium on the life insurance policy. This amounts to compensation, so you will have to:

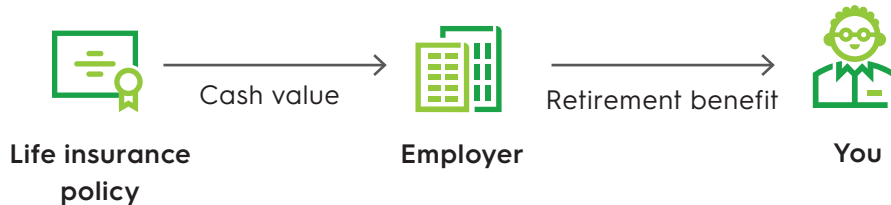
- Pay taxes on what is considered the “reportable economic benefit” of the life insurance premium, or
- Reimburse your employer for the amount of the economic benefit

By insuring your life with a permanent life insurance policy, the company can:

- Accumulate cash value within the policy on an income tax-deferred basis
- Pay your promised benefits on a tax-advantaged basis using the policy’s cash value
- Provide a survivor benefit for your loved ones if you die while employed with the company
- Maintain another asset to pay retirement benefits, rather than relying on company assets or cash flow
- Receive an income tax-free death benefit to help recover its costs if the policy is held until you die

### Upon retirement: increased retirement income

Once you satisfy the employment agreement, the protection element ceases and the company pays your retirement benefits. These payments are considered income, and you will need to include them in your income taxes.



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### Reportable economic benefit

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.

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## Understanding your protection SERP benefit

### Benefits

- Life insurance protection for your family
- Employer-funded, with a minor expenditure on your part for taxes, or a reimbursement to your company for the value of the life insurance death benefit
- Can be used to supplement your qualified plan because it is not subject to qualified plan contribution limits
- Recognition for your loyalty to the business

### Considerations

- Future retirement benefit is considered taxable income upon receipt
- Company may not be around at time of bonus payout
- Retirement benefits are subject to company creditors
- If the company uses life insurance to informally fund the protection SERP, you will have no access to the cash value of the policy
- Life insurance policies are subject to approval by the issuing company

**At Securian Financial,  
we're here for family.  
And we're here  
because of it.**

Family doesn't have to branch from your tree, but it always shares your roots. Roots woven by common understanding, shared values and mutual respect. Those who believe a rewarding life is really about being present in the here and now, and that your financial picture should support the everyday moments as much as the major milestones. That's why our insurance, investment and retirement solutions give you the confidence to focus on what's truly valuable: banking memories with those who matter most.



## Learn more

Want to help ensure you have the protection you need today, with more retirement income for tomorrow? Contact your employer about how you and your family can benefit from protection SERP.

1. A life insurance policy informally funding a nonqualified deferred compensation 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.

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.

This information is a general discussion of the relevant federal tax laws provided to promote ideas that may benefit a taxpayer. It is not intended for, nor can it be used by any taxpayer for the purpose of voiding federal tax penalties. Taxpayers should seek the advice of their own advisors regarding any tax and legal issues specific to their situation.

This is a general communication for informational and educational purposes. The information is not designed, or intended, to be applicable to any person's individual circumstances. It should not be considered investment advice, nor does it constitute a recommendation that anyone engage in (or refrain from) a particular course of action. If you are seeking investment advice or recommendations, please contact your financial professional.

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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