



Option One: All Senior Executives and All VP's

- 25 total executives with a maximum coverage not to exceed \$1,375,000.
- Executives may have 1-3X salary or a predetermined amount up to the coverage limit.

Option Two: Only Senior Executives

- 15 total executives with a maximum coverage not to exceed \$675,000.
- Senior management may have 1-3X salary or a predetermined amount up to the coverage limit.

Plan Parameters:

- Guaranteed Issue.
- Premium for the entire group is paid by the corporation and deducted as a business expense.
- Policy is owned by the executive and they choose their beneficiary
- Corporation pays the premium until retirement. Executive pays income tax on the premium. (The Corporation may continue to pay the premium into retirement. The premium remains 100% deductible as a business expense.)
- At retirement, the executive may surrender the policy or keep paying the premiums to keep the insurance in place. (Note: based on how the plan is structured, a reduction in the death benefit may be necessary at age 80 to keep the policy in-force into their 90's.)
- Every 3 to 5 years, the coverage can be increased, if the multiple of salary option is chosen, to align with any salary increases up to plan maximum. A corresponding premium increase will occur.
- Given the low interest rate environment, a conservative approach will be taken so the illustrations will be prepared assuming at least a 75 bps lower yield than current market rates.
- Under the Section 162 Restricted Bonus plan document, the corporation can limit the executive's access to the cash value. This aids in retention, as the executive cannot borrow from the cash value or surrender the policy.
- Each executive will work directly with me to make any updates to the policy and receive guidance as to what to do with the policy at retirement. The corporation has no further responsibilities once it ceases to pay premiums on the policy.
- On average, the premium is approximately 2.50% of salary.

To learn more contact:

Mark L. Gurley at 616-451-0783
Mark@GiftCOLI.com