



SummitLife IUL

EXECUTIVE BENEFIT PLANNING WITH BUSINESS OWNER

Meet Charlie

As a small business owner, Charlie has always valued his employees, just as his father did when he ran the business before he retired. To motivate and reward his employees, Charlie implemented a qualified plan several years ago.

One of his long-time employees, Sandra, brought in nearly 50% of last year's total revenue. Charlie is very grateful for Sandra's accomplishment, as she helped his business stay afloat during challenging times.

Charlie's Strategy

- Attract highly skilled employees by offering enhanced benefits packages
- Retain and reward valuable employees
- Achieve potential tax savings

Charlie realizes Sandra is critical to the future success of the business and wants to reward her for her productivity and for being a loyal and trustworthy employee.

Sandra is married, with a young family; while Sandra owns a term life insurance policy, she has not been able to financially prioritize obtaining more permanent life insurance protection.

Knowing this, Charlie would like to provide Sandra not only death benefit protection for her family, but also potential supplemental retirement income.

Products issued by

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Charlie's Solution: SummitLife IUL

SummitLife can meet Charlie's objectives of providing Sandra permanent death benefit protection as well as potential supplemental retirement income, thereby enabling Sandra to protect what matters most both during her lifetime and upon her death.

Using SummitLife as the funding vehicle for a non-qualified executive bonus plan, Charlie can recognize and reward Sandra for the value she brings to Charlie and his business. Such recognition may also continue to motivate Sandra. Under this bonus plan, Sandra would be the owner of the policy and would designate a beneficiary. Charlie would pay the premium, the amount of which is included in Sandra's income. The policy cash value would grow income tax-free, and Sandra, as the policy owner, could access the policy's accumulated value to supplement her retirement income — potentially income tax-free. through tax-free loans and withdrawals.¹

Moreover, the policy's Accelerated Benefit Riders permit Sandra to accelerate the death benefit in the event she is faced with a terminal, chronic, or critical illness.² Sandra would have financial protection and peace of mind in light of the unexpected. Upon her death, the policy will provide an income-tax-free death benefit to her loved ones when they may need it the most. Using SummitLife to fund Sandra's bonus plan gives Charlie confidence that he is playing a role in providing her financial security, now and in the future.

Charlie is permitted to offer this exclusive benefit of a non-qualified executive bonus only to Sandra, his key employee. He will therefore avoid costly, complicated non-discrimination testing, administrative requirements, and contribution limits associated with other types of plans. In addition, because the premium is considered taxable compensation to Sandra, Charlie's business may be entitled to a compensation deduction thereby realizing his goal of achieving tax savings.

SummitLife

Offering the flexibility to protect what matters most while addressing present and future financial goals.

¹ The use of cash value life insurance to provide a tax-free resource for retirement assumes that there is first a need for the death benefit protection. The ability of a life insurance contract to accumulate sufficient cash value to help meet accumulation goals will be dependent upon the amount of extra premium paid into the policy, and the performance of the policy, and is not guaranteed. Policy loans and withdrawals reduce the policy's cash value and death benefit and may result in a taxable event.

² Riders are supplemental benefits that can be added to a life insurance policy and are not suitable unless you also have a need for life insurance. Riders are optional, may require additional premium and may not be available in all states.

Payment of Accelerated Benefits will reduce the Cash Value and Death Benefit otherwise payable under the policy. Receipt of Accelerated Benefits may be a taxable event, may affect your eligibility for public assistance programs, and may reduce or eliminate other policy and rider benefits. Please consult your personal tax advisor to determine the tax status of any benefits paid under this rider and with social service agencies concerning how receipt of such a payment will affect you.

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