

Group Carve-Out Plan in Action

Here's how a group carve-out plan could work to selectively reward and retain your key employees...

BEFORE THE GROUP CARVE-OUT...

In this example, the key employee has \$200,000 of group term life insurance, \$150,000 of which is taxed to the employee at Table I rates.



AFTER THE GROUP CARVE-OUT...

The employee's group term life insurance is capped at \$50,000, on which there is no imputed income.

The other \$150,000 is provided by an individual cash value life insurance policy funded by the selected plan design option.

