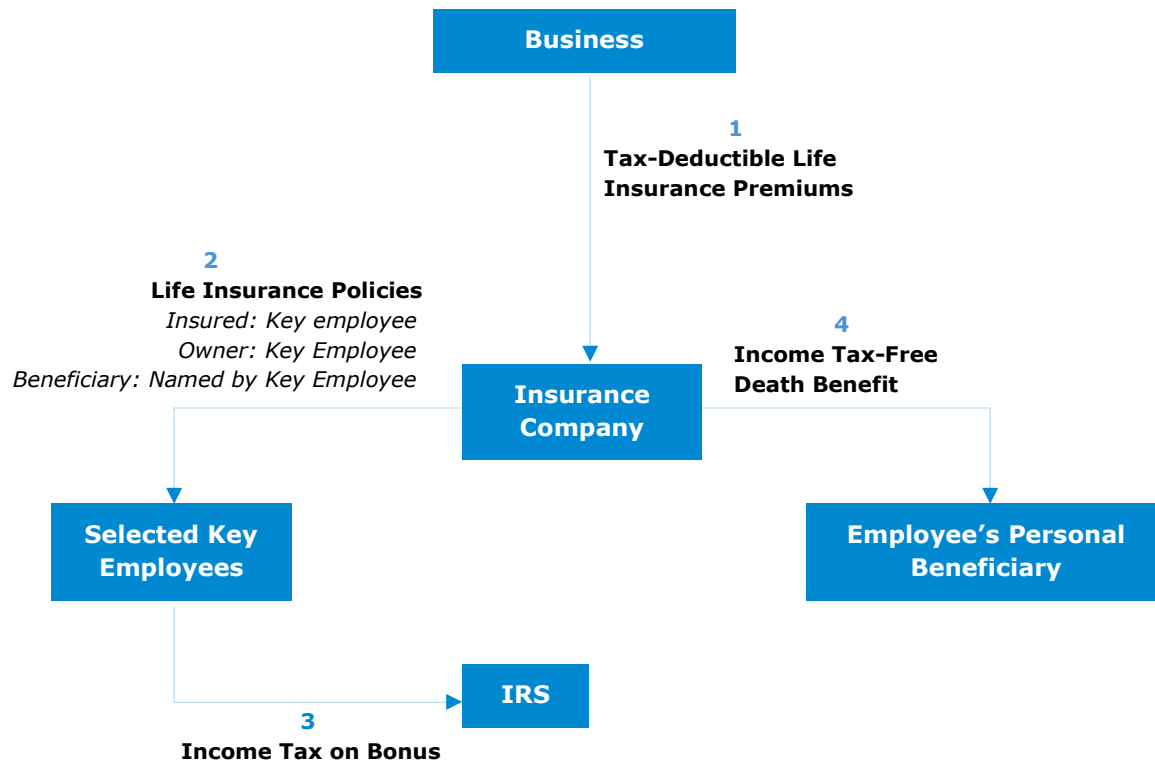


# Executive Bonus Plan in Action

## Here's how an executive bonus plan could work to reward and retain your key employees...



1. The business agrees to pay the tax-deductible premiums for life insurance policies applied for by selected key employees.
2. Each of the selected key employees owns the policy on his or her life and names a personal beneficiary for the death benefit. While alive, the key employee controls the policy's cash value and is entitled to any policy dividends paid.
3. The cost to the key employee is the income tax due on the premiums paid by the business as a bonus.
4. At the key employee's death, his or her personal beneficiary receives the death benefit free of income tax.

# Executive Bonus Plan in Action

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