



# Endorsement split dollar plan

## Opportunity tracker

Name: \_\_\_\_\_ Agent code: \_\_\_\_\_

Email: \_\_\_\_\_

A split dollar plan can offer an incentive to retain select employees as well as provide death benefit protection.

### Benefits for employees:

- Generally tax-free death benefit.
- Opportunity to obtain life insurance for minimal expense.
- May be designed so the employee owns the policy and potential cash value during retirement.
- An alternative to partial interest in the company.

### Benefits for business owners:

- No discrimination tests or criteria. The employer can freely choose who does and does not receive the benefit.
- No IRS pre-approval required.
- Flexible plan design and exit options.
- Alternative to offering equity in the company.
- Ability to recoup premium costs at retirement, termination, or death, tax-free to the employer.
- The policy's cash value can be a balance sheet asset while owned by the company.<sup>1</sup>

### List the names of five business clients who could benefit from this strategy.

Client name: _____	Age: _____	Gender: _____	Tobacco: Y/N	State: _____
Premium amount: _____	Retirement age: _____	_____	_____	_____
Client name: _____	Age: _____	Gender: _____	Tobacco: Y/N	State: _____
Premium amount: _____	Retirement age: _____	_____	_____	_____
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Client name: _____	Age: _____	Gender: _____	Tobacco: Y/N	State: _____
Premium amount: _____	Retirement age: _____	_____	_____	_____

1. To ensure the death benefit proceeds of any employer-owned policy retains its tax-favored treatment, it is essential to comply with the notice and consent requirements of IRC Section 101(j).

Under an endorsement split dollar arrangement, your client enters into an agreement with their employer. North American Company is not a party to this agreement and North American Company's only obligation is to administer the policy it issues consistent with the policy's terms and conditions.

Under an endorsement split dollar arrangement, the value of the life insurance afforded the employee is taxable to the employee. The employer should provide the employee with tax reporting based on requirements specified in the tax code. The parties to the endorsement split dollar arrangement should seek their own independent legal and tax advice as to whether and how to enter into an endorsement split dollar arrangement based on the employer's and employee's unique circumstances.

Neither North American nor its agents give tax advice. Please advise your customers to consult with and rely on a qualified legal or tax advisor before entering into or paying additional premiums with respect to such arrangements.

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