



Endorsement split dollar plan checklist

A split dollar arrangement can share the life insurance premium cost and offer an incentive to retain select employees as well as provide death benefit protection. Use this checklist when gathering information alongside the client to help the case go through underwriting efficiently. Complete a separate checklist for each person entering into a split dollar arrangement.

Questionnaire

Insured Name: _____ Annual Income: \$ _____
Title/Position: _____ Death benefit amount: \$ _____
Date of birth: _____

Agreement details

Premium amount: \$ _____

Premiums paid by

- ☐ Business _____ %
☐ Insured _____ %

Agreement termination *(select all that apply)*

- ☐ Years of employment _____
☐ Retirement at age _____
☐ Termination of employment
☐ Other _____

Explain how the respective death benefit was determined

Next Steps

When ready to proceed, include the following with the completed life insurance application:

1. A completed Endorsement Split Dollar Certification
2. A copy of the Notice of Employer Intent (COLI) in compliance with IRS 101(j)
3. Include this checklist and a cover letter to aid in the underwriting process

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.

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