



Midland National® Life Insurance Company

# Executive Advantage

## Loan Regime Split Dollar<sup>SM</sup> - Opportunity tracker

Executive Advantage Loan Regime Split Dollar<sup>SM</sup> from Midland National® Life Insurance Company allows business owners to incentivize and retain select employees with life insurance.

### FUND A LIFE INSURANCE POLICY WITH LOAN SPLIT DOLLAR

#### Benefits for business owners:

- No discrimination tests or criteria — the employer can freely choose who among their top employees will receive the benefit
- No IRS pre-approval required
- Flexible plan design and exit options
- Alternative to giving away equity in the company
- Ability to recoup premium costs at retirement, termination, or death, tax-free to the employer
- Helps recruit, retain, and reward top employees

#### Benefits for employees:

- Generally tax-free death benefit and no tax obligation during funding or in retirement
- Opportunity to obtain life insurance for minimal expense
- Immediate ownership of the policy
- An alternative to partial interest in the company

#### List the names of three business owners and/or executives that could benefit from this strategy.

**Business:** \_\_\_\_\_

Executive 1: \_\_\_\_\_

Premium Amount: \_\_\_\_\_

Executive 2: \_\_\_\_\_

Premium Amount: \_\_\_\_\_

**Business:** \_\_\_\_\_

Executive 1: \_\_\_\_\_

Premium Amount: \_\_\_\_\_

Executive 2: \_\_\_\_\_

Premium Amount: \_\_\_\_\_

**Business:** \_\_\_\_\_

Executive 1: \_\_\_\_\_

Premium Amount: \_\_\_\_\_

Executive 2: \_\_\_\_\_

Premium Amount: \_\_\_\_\_

As independent financial professionals, it is up to you to choose whether the sales concept contained in this material might be appropriate for use with your particular sales strategy and clients. Please note that Midland National does not require you to use this sales concept; it is a resource that can be used at your option for your own individualized sales presentations if appropriate for the particular client and circumstances.

Under a split dollar agreement that is classified as a welfare benefit plan, the employee must belong to a select group of management, which includes quantitative and qualitative elements. To meet the quantitative standard, plans should be limited to the top 15% of the workforce. To meet the qualitative test, a significant disparity should exist between the average compensation of the top-hat group and the average compensation of all other employees.

Under a loan split-dollar arrangement, the employee enters into an agreement with the employer. Midland National Life Insurance Company is not a party to this agreement and Midland National's only obligation is to administer the policy it issues (consistent with the policy's terms and conditions).

The parties to the loan regime split-dollar arrangement should seek their own independent legal and tax advice as to whether and how to enter into a loan regime split-dollar arrangement based on the employer's and employee's unique circumstances.

Neither Midland National 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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