

# Lincoln *LifeComp*<sup>®</sup> Business Owned plans

Business-owned life insurance with shared employee coverage

## Life insurance that balances protection with flexibility

Executive benefits play a vital role in reward, recruitment and retention strategies. Properly applied, they can also deliver valuable protection for a business – a smart move for owner clients and your practice.

That's why Lincoln Business Insurance Solutions offers *LifeComp*<sup>®</sup> Business Owned plans, giving businesses flexibility to protect their company from the loss of a key employee or use the plan to reward top talent.

## *LifeComp*<sup>®</sup> Business Owned plans have so many benefits

The Business Owned Plans allow a company to cover an owner or key executive with the option to endorse a portion of the death benefit to the employee.



### 1. It works for your clients' businesses

- Protects the business from the loss of a key executive
- Provides liquidity to pay business debt if the owner dies
- Purchases a deceased shareholder's stock



### 2. It works for key employees

If your client chooses:

- Allows for a portion of the death benefit to be paid, or endorsed, to the executive during their working years
- Delivers a survivor benefit for a deceased executive
- Transfers to the executive at retirement



### 3. It offers plan design options to fit clients' needs

- Designates the policy's cash value as a business asset while the business pays premiums
- Pays income tax-free death proceeds to the business if the insured dies while the policy is in place



### 4. It streamlines plan administration and reporting

Simplified, transparent plan management makes a difference.

- **Accounting reports** provide visibility into exact debits and credits, helping coordinate any employee buyout of the business stake in the policy and the proper entries for ongoing split-dollar loan interest.
- **Year-end reports** show precise balances for the company's fiscal or calendar tax year.
- **Optional post-retirement services** help retired employees monitor their withdrawals and loans.

Insurance products issued by:  
The Lincoln National Life Insurance Company  
Lincoln Life & Annuity Company of New York

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## Administration made easy with Lincoln LifeComp®

Get unique life insurance plan designs and comprehensive plan documentation and administration.

**LifeComp® business insurance solutions** help protect businesses and retain and reward key employees by balancing the benefits those employees want and the control employers need.



Learn how the *LifeComp®* Business Owned plans can benefit your clients. Contact your Lincoln representative today.

For federal income tax purposes, life insurance death benefits generally pay income tax-free to beneficiaries pursuant to IRC Sec. 101(a)(1). In certain situations, however, life insurance death benefits may be partially or wholly taxable. Situations include, but are not limited to: the transfer of a life insurance policy for valuable consideration unless the transfer qualifies for an exception under IRC Sec. 101(a)(2) (the transfer-for-value rule), arrangements that lack an insurable interest based on state law, and an employer-owned policy unless the policy qualifies for an exception under IRC Sec. 101(j).

Important note: Nonqualified plans operate in a clearly defined but complex regulatory environment. Professional plan administration is critical. Lincoln Financial Group offers plan administration for certain forms of executive bonus plans, loan regime split-dollar plans, undivided interest plans, and endorsement split-dollar plans through the Lincoln *LifeComp®* platform. Lincoln Financial Group maintains relationships with several third party administrators for elective deferral plans and supplemental executive retirement plans. These third party administrators are not affiliated with Lincoln Financial Group.

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