

Executive Benefits Overview



Quick Reference

An executive* benefit plan can be established between any type of business entity and its executives. However, such plans are generally more appropriate for C corporation owners and executives, and non-owner executives of other business entities.

	Key Person Insurance	Executive Bonus	Endorsement Split Dollar	Collateral Assignment Split Dollar	Nonqualified Deferred Compensation
POLICY OWNER	EMPLOYER	EXECUTIVE	EMPLOYER	EXECUTIVE	EMPLOYER
Designates Beneficiary	Employer	Executive	Executive and Employer	Executive – Subject to Employer’s Collateral Assignment	Employer
Control of Policy Cash Value	Employer	Executive – May be subject to Employer’s rights in Restricted Executive Bonus Agreement	Employer	Executive – Subject to Collateral Assignment of greater of cash values or premiums to Employer	Employer
Selective Participation	Yes	Yes	Yes	Yes	Yes
Tax Deductible by Employer	No	Yes – When paid to Executive	No	No	Yes – When paid to Executive
Timing of Benefit Payment	Delayed	Immediate	Delayed	Delayed	Delayed
Golden Handcuffs	No	No – Limited if Restricted Bonus Agreement	Yes	Yes	Yes
Potential Employer Cost Recovery	Yes	No	Yes	Yes	Yes
Subject to Employer Creditors	Yes	No	Yes	Yes	Yes

* “Key Person” can be interchanged with word “executive”



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