



Attract. Retain. Succeed.

Executive Bonus Plans funded with participating whole life insurance

The success of your business depends on you and the efforts of your key employees. Competitive compensation and benefit programs are critical to attracting talented employees and retaining them for the long term.

An Executive Bonus Plan funded with whole life insurance can set your business apart by helping to attract and retain the best people in your industry.

The decision to purchase life insurance should be based on long-term financial goals and the need for a death benefit. Life insurance is not an appropriate vehicle for short-term savings or short-term investment strategies. You should know there may be little to no cash value available for loans in the policy's early years.

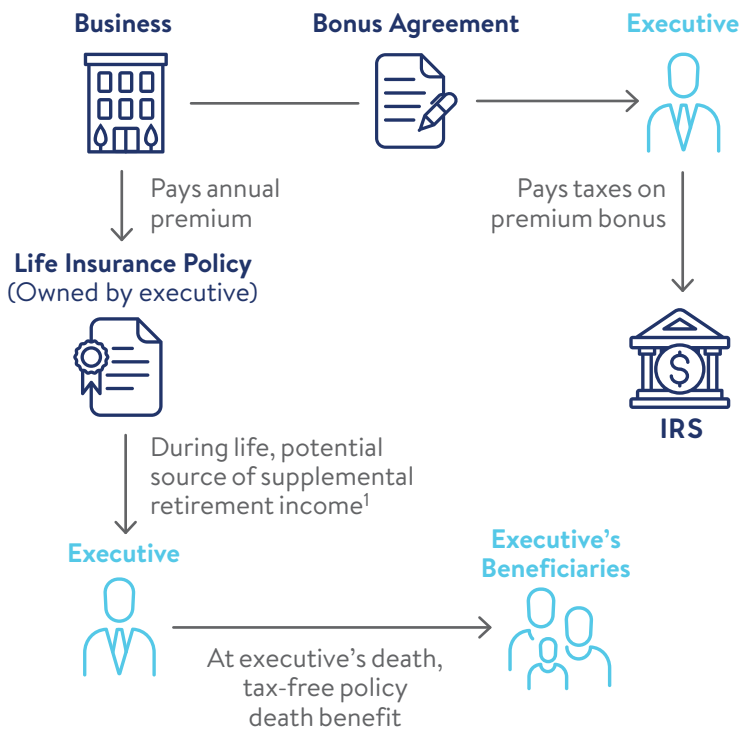
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How the Plan Works

Under an Executive Bonus Plan, the business enters into an agreement with an executive to pay all or a part of the premiums for a life insurance policy owned by the executive. This is considered a bonus that is tax deductible to the business and is taxed as income to the executive. The policy provides permanent life insurance protection for the executive and will build cash value over time that can be used for any purpose, such as helping to supplement his or her retirement income.¹

EXECUTIVE BONUS PLAN



Benefits of an Executive Bonus Plan

Executive Bonus Plans offer a great deal of flexibility. These plans have the potential to include optional incentives that make them even more attractive as a fringe benefit.

Executive Bonus Plans can:

- Incent loyalty by rewarding top performers with benefits over and above basic compensation and benefits.
- Generate an immediate income tax deduction for the business, subject to reasonable compensation limits.
- Control costs by determining which employees participate and how much each receives.
- Minimize the regulatory and administrative burden associated with the plan.
- Address both protection and retirement goals for the executive.
- Minimize or eliminate the executive's after-tax costs.
- Remove assets from the business balance sheet so benefits are not subject to the business's creditors.

An Executive Bonus Plan can help you attract, retain, and reward your best employees.

¹ Distributions under the policy (including cash dividends and partial/full surrenders) are not subject to taxation up to the amount paid into the policy (cost basis). If the policy is a Modified Endowment Contract, policy loans and/or distributions are taxable to the extent of gain and are subject to a 10% tax penalty if the policyowner is under age 59½.

Access to cash values through borrowing or partial surrenders will reduce the policy's cash value and death benefit, increase the chance the policy will lapse, and may result in a tax liability if the policy terminates before the death of the insured.

Individual participating whole life, level premium, permanent life insurance policies issued by Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001.

