

Maintain your competitive edge

Attract and retain talent with a Section 162 Bonus Plan funded with Sage Indexed Universal Life Insurance



One of the biggest challenges for employers is attracting and retaining talent.¹ In today's strong economic environment, the power has shifted from employer to employee. The workforce is getting younger, and these talented employees typically job hop for faster career advancement. Plus, the internet makes it very easy for recruiters to find talent and employees to pursue other opportunities.

But you can gain a significant advantage for your business — one that gives you a leg up on your competitors with a Section 162 Bonus Plan funded with Sage IUL. This can help you find and retain key talent with an attractive employee incentive.

How it works

Your company, as the employer, funds the purchase of life insurance for key employees through bonuses or direct payment to the insurer.

Employee benefits

- Cash value growth, retirement income supplement, chronic illness and death benefit protection
- Customizable — based on employee's needs
- Employee owns the policy

Employer benefits

- Discretionary plan — not subject to ERISA rules
- Ease of implementation/administration
- Tax-deduction for bonus payments²

Case study



Meet Max, age 35

- Application software developer, earning \$175,000/year
- His employer can't afford to lose him to a competitor

A strategy designed for what Max wants

- Supplemental retirement income
- Chronic illness protection
- Death benefit protection

¹ Decisionwise, "[4 Reasons Why Employee Retention is a Challenge.](#)"

² Any tax-deductible bonus payable by the employer is taxable to the employee.

The strategy³

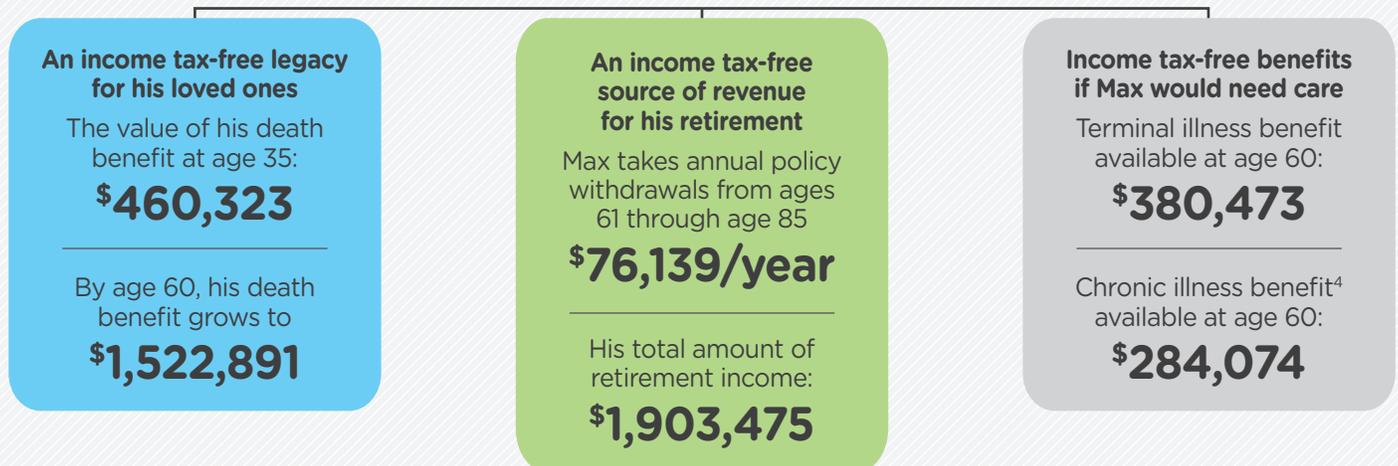
- Max's employer, Software Inc., pays Max an annual bonus of \$30,000.
- Max pays 30% combined state and federal income tax. His net after-tax bonus is \$21,000.
- Max uses his bonus to purchase a Sage IUL policy, paying \$21,000 annual premiums to age 60 for a total of \$525,000.

The outcome

Software Inc. gains a tax advantage

- The company takes a tax deduction on the \$30,000 bonus paid to Max.
- Based on a 25% combined state and federal corporate tax, the net cost of the bonus is \$22,500.

Max has access to income tax-free benefits



An income tax-free legacy for his loved ones

The value of his death benefit at age 35:

\$460,323

By age 60, his death benefit grows to

\$1,522,891

An income tax-free source of revenue for his retirement

Max takes annual policy withdrawals from ages 61 through age 85

\$76,139/year

His total amount of retirement income:

\$1,903,475

Income tax-free benefits if Max would need care

Terminal illness benefit available at age 60:

\$380,473

Chronic illness benefit⁴ available at age 60:

\$284,074

³ This illustrated example assumes male, age 35, Preferred Plus Non-Tobacco, 5.18% interest rate, state of Arizona, Guideline Premium Test. Withdraw to Basis, Switch to Fixed Loans maximum income solve. 100% Allocation to S&P 500 Bonus Index Strategy. There are some exceptions to this rule. Clients should consult a qualified tax professional for advice concerning their individual situation. The hypothetical illustrated values reflect what the index strategy would have credited if the product, index strategy, rates, and caps had all existed during the years shown. The assumptions on which Illustrated values are based are subject to change by Sagacor Life Insurance Company; and actual results may be higher or lower, but not less than the guaranteed values.

The illustration assumes current charges for expenses and cost of insurance.

⁴ Chronic illness protection not available in CA. Not long-term care insurance.

Let's discuss how you can create an attractive employee incentive to attract and retain key talent.

Licensed Insurance Agent or Insurance Professional:

Agency address:

Telephone:

Cell phone:

Insurance agent/Agency has an independent contractor relationship with Sagicor.

Insurance and annuities issued by Sagicor Life Insurance Company. Home office: Scottsdale, AZ and offered by _____, a licensed insurance agent. Products have limitations and restrictions that may include surrender charges and market value adjustments and are not available in all states. Sagicor does not provide tax or estate planning advice. Consult your tax advisor(s). Policy Form: ICC171017. Sagicor is rated "A-" (Excellent) by A.M. Best Company (4th best out of 16 possible ratings), affirmed as of November 4, 2021. Rating and guarantees based on claims-paying ability of issuing insurer.