

Stay bonus

Maintain your business's value after your death

Your challenge

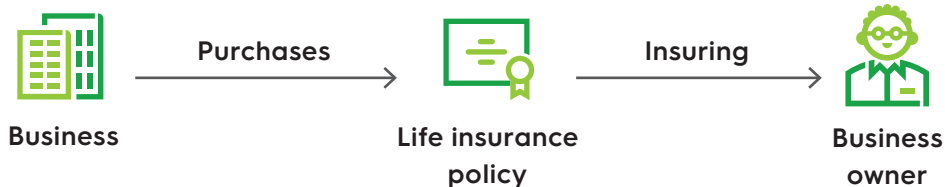
If you died today, your key employees may be concerned about the future of your business. By retaining your key employees, you can help ensure a smooth transition to new ownership, maintain business integrity and preserve the value of your business for your heirs.

A potential solution

A stay bonus can help retain key employees by providing a financial incentive to stay with the business.

How does a stay bonus work?

1. The business purchases a life insurance policy on the business owner's life. The purpose of the policy is to provide liquidity to potentially pay bonuses to select key employees after death of the owner.

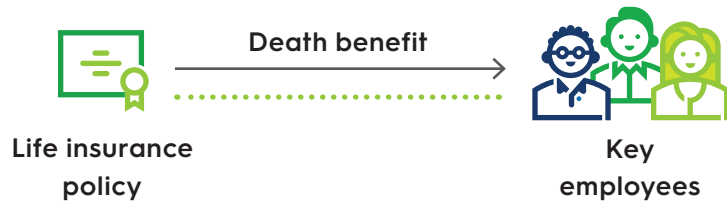


2. If the business owner dies, a bonus agreement is drafted and executed to retain the key employees by providing a financial incentive to stay with the business.



**Because your
business is
your life**

3. The life insurance policy's death benefit proceeds provide the funds needed for the stay bonus.



Why permanent life insurance?

- Permanent, cash value life insurance policies provide permanent death benefit protection upon death of a business owner.
- These policies can grow in value over time and provide a source of funding for other business owner life stages (downturn, disability and departure).
- The owner of the policy can be the business owner, the business or an irrevocable life insurance trust (ILIT) (see table below).

Owner	Why?	Considerations
Business owner	Business owner can have access to the policy	Will be included in the business owner's estate
Business	Business will pay the premiums of the policy	Cash value and death benefit are paid to the business, and there may be tax issues taking policy proceeds out of the business
ILIT or spousal limited access trust	Keeps the policy out of the business owner's estate and outside the reach of the business's creditors	No access to the policy for the business owner

How you benefit from a stay bonus

- Helps protect your family by upholding the business's value.
- Helps stabilize the business by retaining key employees and reassuring creditors, vendors and customers at your death.
- Flexibility - depending on the policy ownership, it can be used in combination with your other business objectives.

Owner	Other Objectives
Business owner	Supplemental income, income replacement, legacy strategies
Business	Key person, entity redemption buy-sell
ILIT	Estate tax planning, legacy strategies

Things you should consider

- Since no ownership is transferred, your family will continue to own the business.
- Stay bonus must be drafted after your death.
- Employees will pay income taxes on the stay bonus, and the business will receive a deduction.

**At Securian Financial,
we're here for family.
And we're here
because of it.**

Family doesn't have to branch from your tree, but it always shares your roots. Roots woven by common understanding, shared values and mutual respect. Those who believe a rewarding life is really about being present in the here and now, and that your financial picture should support the everyday moments as much as the major milestones. That's why our insurance, investment and retirement solutions give you the confidence to focus on what's truly valuable: banking memories with those who matter most.



Learn more

Want to help ensure the ongoing success and growth of your business? Contact your financial professional today to find out how you can implement a stay bonus strategy.

Life insurance products contain fees, such as mortality and expense charges (which may increase over time), and may contain restrictions, such as surrender periods.

Please keep in mind that the primary reason to purchase a life insurance product is the death benefit.

Policy loans and withdrawals may create an adverse tax result in the event of lapse or policy surrender, and will reduce both the surrender value and death benefit. Withdrawals may be subject to taxation within the first fifteen years of the contract. Clients should consult their tax advisor when considering taking a policy loan or withdrawal.

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