

Section 162 Plan - Whole Life / Dividends to Reduce (Male with Standard Health)

Business Values					Employee Values			
Yr	Age	Deductible Premium	30% Tax Deduction	Net After Tax Cost	Taxable Income	Tax Due at 30%	Cash Growth	Cash Value
1	45	\$45,160	\$13,548	\$31,612	\$45,160	\$13,548	\$33,840	\$33,840
2	46	\$29,370	\$8,811	\$20,559	\$29,370	\$8,811	\$27,750	\$61,590
3	47	\$29,370	\$8,811	\$20,559	\$29,370	\$8,811	\$27,740	\$89,330
4	48	\$29,370	\$8,811	\$20,559	\$29,370	\$8,811	\$28,300	\$117,630
5	49	\$28,820	\$8,646	\$20,174	\$28,820	\$8,646	\$28,310	\$145,940
6	50	\$28,260	\$8,478	\$19,782	\$28,260	\$8,478	\$28,320	\$174,260
7	51	\$27,680	\$8,304	\$19,376	\$27,680	\$8,304	\$28,350	\$202,610
8	52	\$27,080	\$8,124	\$18,956	\$27,080	\$8,124	\$28,020	\$230,630
9	53	\$26,800	\$8,040	\$18,760	\$26,800	\$8,040	\$28,050	\$258,680
10	54	\$26,500	\$7,950	\$18,550	\$26,500	\$7,950	\$28,080	\$286,760
11	55	\$26,170	\$7,851	\$18,319	\$26,170	\$7,851	\$28,080	\$314,840
12	56	\$25,830	\$7,749	\$18,081	\$25,830	\$7,749	\$28,070	\$342,910
13	57	\$25,510	\$7,653	\$17,857	\$25,510	\$7,653	\$28,050	\$370,960
14	58	\$25,210	\$7,563	\$17,647	\$25,210	\$7,563	\$28,020	\$398,980
15	59	\$24,930	\$7,479	\$17,451	\$24,930	\$7,479	\$28,050	\$427,030
16	60	\$24,630	\$7,389	\$17,241	\$24,630	\$7,389	\$28,060	\$455,090
17	61	\$24,310	\$7,293	\$17,017	\$24,310	\$7,293	\$28,110	\$483,200
18	62	\$23,950	\$7,185	\$16,765	\$23,950	\$7,185	\$28,110	\$511,310
19	63	\$23,590	\$7,077	\$16,513	\$23,590	\$7,077	\$28,100	\$539,410
20	64	\$23,230	\$6,969	\$16,261	\$23,230	\$6,969	\$28,090	\$567,500
Totals				\$298,242		\$127,818	\$427,030	

Notes:

- 1) Death benefit to executive is just over \$1 million
- 2) Policy is guaranteed to be paid-up at age 65 and no more premiums are due
- 3) Policy dividends continue after age 65, creating a positive cash flow to the executive
- 4) Tax free distributions from the policy can be used to provide a supplemental retirement income
- 5) Values are based on projected dividends, actual results may vary significantly
- 6) Policy cash growth always exceeds the employees tax obligation