

Impaired Risk Endorsement Split Dollar (Male Table 8 - 400% Mortality)

Business Values					Employee Values		
Yr	Age	After Tax Premium**	Total After Tax Cost	Business CV at 5%	Net DB To Exec	Taxable Income	Tax Due at 30%
1	50	\$19,100	\$19,100	\$0	\$1,000,000	\$2,760	\$828
2	51	\$19,100	\$38,200	\$0	\$1,000,000	\$2,760	\$828
3	52	\$19,100	\$57,300	\$0	\$1,000,000	\$2,760	\$828
4	53	\$19,100	\$76,400	\$0	\$1,000,000	\$2,760	\$828
5	54	\$19,100	\$95,500	\$2,996	\$997,004	\$2,752	\$826
6	55	\$19,100	\$114,600	\$14,368	\$985,632	\$5,086	\$1,526
7	56	\$19,100	\$133,700	\$24,406	\$975,594	\$5,034	\$1,510
8	57	\$19,100	\$152,800	\$34,288	\$965,712	\$4,983	\$1,495
9	58	\$19,100	\$171,900	\$44,082	\$955,918	\$4,933	\$1,480
10	59	\$19,100	\$191,000	\$54,380	\$945,620	\$4,879	\$1,464
11	60	\$19,100	\$210,100	\$63,080	\$936,920	\$7,420	\$2,226
12	61	\$19,100	\$229,200	\$71,878	\$928,122	\$7,351	\$2,205
13	62	\$19,100	\$248,300	\$78,917	\$921,083	\$7,295	\$2,188
14	63	\$19,100	\$267,400	\$85,458	\$914,542	\$7,243	\$2,173
15	64	\$19,100	\$286,500	\$89,671	\$910,329	\$7,210	\$2,163
Totals		\$286,500				\$75,226	\$22,568

Options end of year 15:

- 1) Collect non-guaranteed cash of \$89,671 as a partial refund of premiums paid
- 2) Continue the policy and receive a \$1 million tax free death benefit
- 3) Continue benefits into post-retirement
- 3) Transfer the policy to the executive, as taxable compensation, or a purchase

** Premiums of this policy are guaranteed to age 121