

**Endorsement Split Dollar with Non Qualified Deferred Compensation**  
(Universal Life FLIPP - Male 45 Standard Health)

**Split Dollar Phase: (Working Years)**

Business Values at 5.65%					Employee Values at 5.65%		
Age	Year	After Tax Premium	Total After Tax Cost	Business Cash Value	Net DB To Exec	Taxable Income	Tax Due at 30%
46	1	\$24,000	\$24,000	\$0	\$1,098,270	\$1,977	\$593
50	5	\$24,000	\$120,000	\$76,092	\$1,022,178	\$1,840	\$552
55	10	\$24,000	\$240,000	\$206,339	\$891,931	\$2,462	\$739
60	15	\$24,000	\$360,000	\$403,280	\$694,990	\$3,586	\$1,076
65	20	\$24,000	\$480,000	\$655,304	\$442,966	\$3,508	\$1,052
					<b>Totals</b>	<b>\$64,438</b>	<b>\$19,332</b>

**Deferred Compensation Phase: (Retirement Years)**

Age	Year	Tax Free Policy Loan to Business	Benefits Paid to - Executive	Business Deduction - Tax at 30%	Net Cost Business	Corporate Cash Value	Net Tax Free Death Benefit
66	21	\$40,420	-\$40,420	-\$12,126	-\$12,126	\$348,534	\$771,756
70	25	\$40,420	-\$40,420	-\$12,126	-\$12,126	\$617,077	\$709,638
75	30	\$40,420	-\$40,420	-\$12,126	-\$12,126	\$567,385	\$595,754
80	35	\$40,420	-\$40,420	-\$12,126	-\$12,126	\$503,551	\$535,724
85	40	\$40,420	-\$40,420	-\$12,126	-\$12,126	\$415,541	\$456,970
90	45	\$40,420	-\$40,420	-\$12,126	-\$12,126	\$292,227	\$344,918
95	50	\$40,420	-\$40,420	-\$12,126	-\$12,126	\$128,089	\$154,779
100	55	\$0		\$0		\$150,024	\$183,816

\*\* The values shown are based on a 5.65% interest rate assumption, actual results are expected to vary. This is a fixed interest policy and in the long run the credited rate of interest can be expected to reflect performance of the commercial bond portfolio held by the carrier issuing the policy. This policy uses a wash loan feature - policy loan values are charged an interest rate that is very close to the credited rate. This prevents the loan balance from compounding out of control and endangering the policy cash growth and prematurely lapsing the policy. Factors other than interest rates, including mortality experience and future administrative expenses, can significantly affect the projected retirement distributions. Policy is owned at all times by the business, which controls all benefits and features.