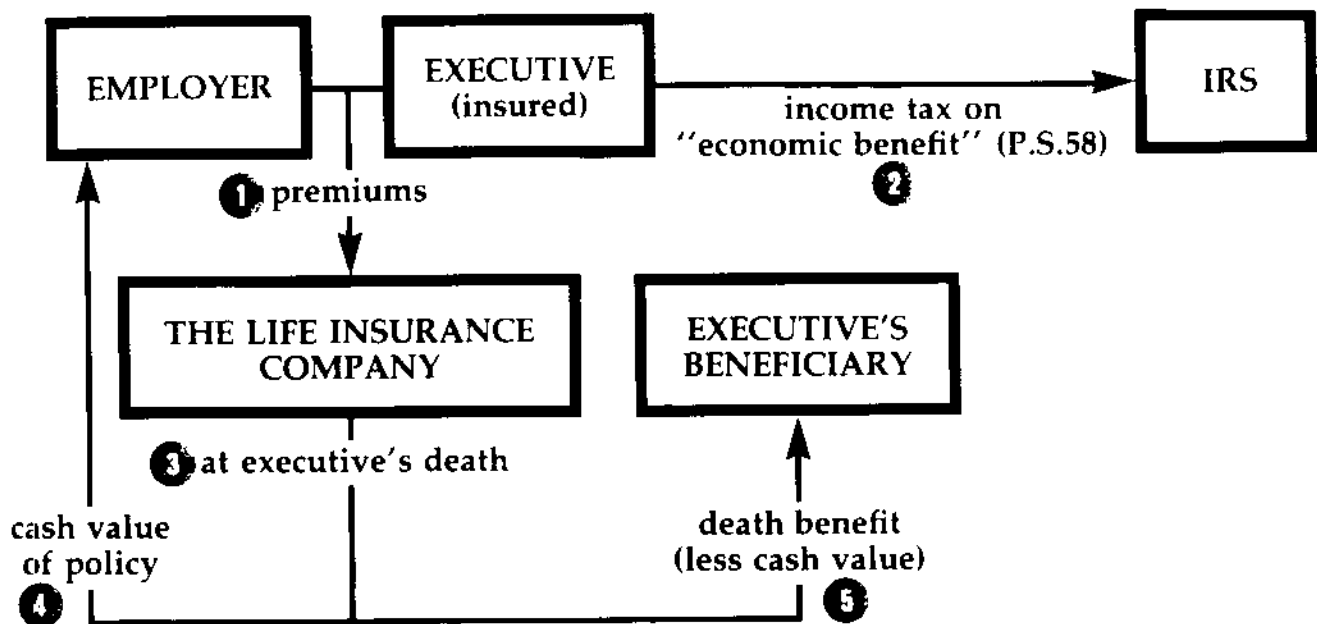


Split-Dollar Insurance



- 1 The employer and the insured executive both pay a portion of the premiums to the life insurance company for insurance on the life of the executive.
- 2 By splitting the premium, the executive receives an economic benefit from his or her employer, and must pay income tax on this benefit, using the government's P.S. 58 rates for term insurance.
- 3 At the executive's death, the life insurance company...
- 4 Pays the cash value of the policy to the employer.
- 5 The remainder of the death benefit goes to the executive's beneficiary.