EQUITABLE

Section 162: Restrictive Bonus Arrangements (REBA)

How can employers take a deduction and keep control? REBA may be the answer!

What is a REBA?

REBA is a type of Section 162 executive bonus plan that acts as a "golden handcuff" by restricting employee access to life insurance cash values for a period of time, thereby providing death benefit protection and an incentive for employees to remain with their employer.

REBA at a glance

Requires the employer's consent for a period of time for an executive to:

- Surrender the policy.
- Assign/pledge the policy for a loan.
- Change ownership of the policy.
- Borrow the policy cash value.

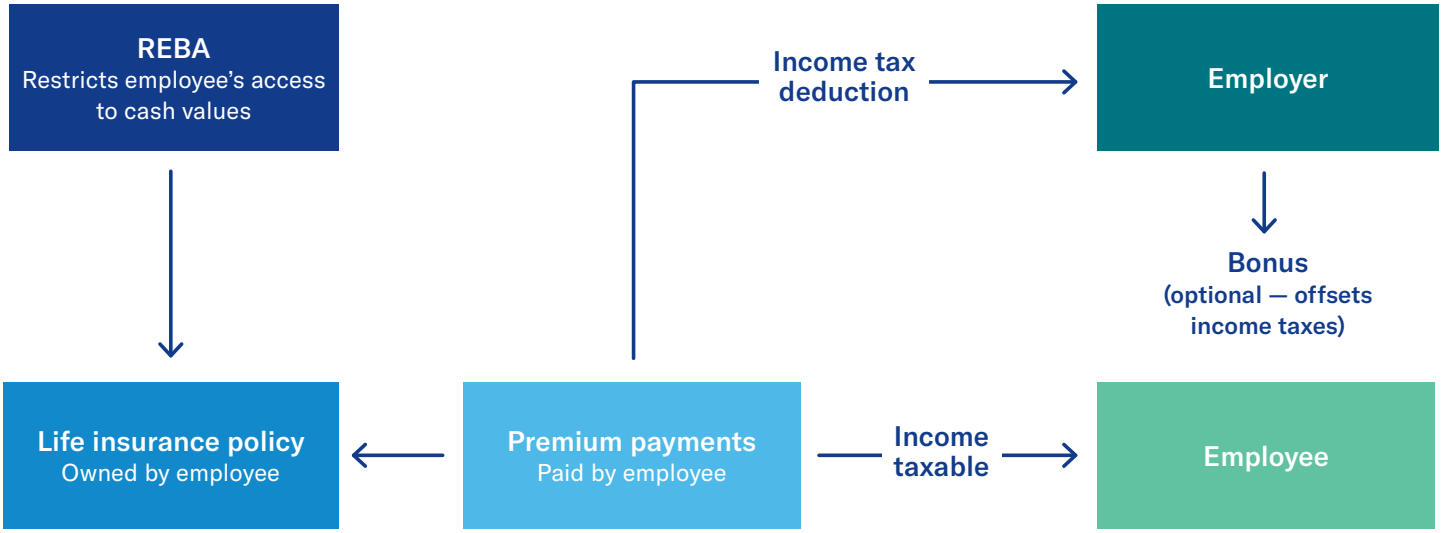
Typically, the restrictive endorsement expires upon the earliest of:

- Retirement of executive.
- Release by employer.
- Executive reaching specified age or working a specified number of years.
- Bankruptcy or dissolution of employer.

Ideal client:

- Small business owner with a desire to reward selected employees
- Profitable business with predictable cash flow

How does REBA work?



Why Equitable Financial?

Our dedicated, expert team of Advanced Markets specialists meets the changing needs of your clients by offering custom-designed advice and actionable strategies that can proactively help them achieve their desired results — including:

- Strong life insurance portfolio with competitive cash value product options.
- A wide selection of riders to choose from, including the Charitable Legacy Rider®, which offers an additional death benefit to the charity(ies) of your clients' choice at no added cost.
- Strength and stability. The 160-year history and assets under management shown, as well as references to strength and stability, apply solely and exclusively to Equitable Financial Life Insurance Company.
- Our business strategies service platform is customized to provide online policy information that caters to all forms of business insurance, including executive benefits, such as REBA plans. There is no charge for this service.

For more information, please call Equitable Advanced Markets at (860) 409-1290.

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