

# Are you ready for financial freedom?



At Equitable/CES, we offer a focused approach to Qualified and Non-Qualified plan design and consulting. Our goal is to:

1. Maximize pre-tax qualified plan contributions
2. Determine specific non-qualified post-tax planning opportunities

We specialize in Asset Location and Tax planning strategies to help mitigate future income tax impacts so you can maximize your financial freedom. Let us uncover the often overlooked zero-tax strategies available to you today designed to put you in control of effectively managing taxation tomorrow.



## Personal Planning

Are you maximizing your pre-tax qualified plan contributions?

Are you building assets in all three tax locations to control your future taxation?

Are you aware there is a zero tax Roth-like tax location with access to capital at anytime?

Have you considered how asset location planning can impact your taxes at distribution upon retirement?



## Wealth Management

How important is it to be able to determine your distribution tax bracket at retirement?

Have you considered building contingency capital with tax deferred growth and tax-free access at distribution?

Have you determined a percentage of assets located in each of the three tax locations to achieve tax advantaged income planning?

Do the financial hedges of asset protection along with asset value enhancements if death were to occur assist in your financial objectives?



## Mission Critical Employee Retention

Of your Key Employees, which ones create the biggest negative impact to revenues if they do not come to work?

Would you consider future retention benefits for some select people?

Are you aware Non-Qualified plans allow you to choose between a deduction today or a deduction tomorrow and still control the capital?

Would you like to allow your highest income employees the ability to defer more income on a pre-tax basis?



## Business Continuity/Succession

How do you plan to monetize the value of your business?

Do you have a way to build corporate contingency capital and establish a business succession plan?

Are select mission critical employees potential business successors? If so, how are you planning to make them bankable to execute the business purchase?

Do you have a "funded business plan" live or die, to protect the value of your largest asset?

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# Equitable retention continuum

Building personal or corporate tax advantaged assets for income planning and retention of key employees can be daunting, but we can make it simple. Start your journey by answering these two easy questions:

1. Are you using an Asset Location strategy to build tax-advantaged capital with tax-deferred growth and tax-free access?
2. Do you want a deduction today or tomorrow in efforts to retain select key people?

Equitable/CES accumulation and retention strategies give you access to institutional strategies and eliminates the myth that small business owners cannot have similar benefits of their larger corporate counterparts.

Executive/bonus funding	Employer funding/awards	Employer funding/awards	Employer funding/awards	Executive/employer informal funding/awards
<p><b>Life Income Plan®</b></p> <p><b>Features</b></p> <ul style="list-style-type: none"> <li>• Individual ownership</li> <li>• Institutional product</li> <li>• Accumulation focused design</li> <li>• High early cash surrender values<sup>1</sup></li> <li>• No direct surrender charges<sup>1</sup></li> <li>• Post-tax funding</li> <li>• Custom client service portal</li> </ul> <p><b>Strategies</b></p> <ul style="list-style-type: none"> <li>• Utilizing IRC 7702 providing those looking for tax free access strategies with many of the same advantages as a Roth IRA<sup>2</sup> plus additional benefits</li> <li>• Tax-free future income distribution planning</li> </ul>	<p><b>Section 162 Bonus Plan</b></p> <p><b>Features</b></p> <ul style="list-style-type: none"> <li>• Individual ownership</li> <li>• Accumulation focused design</li> <li>• Employer taxable contributions</li> <li>• Additional employee contributions post-tax</li> <li>• Design may include restricted access or claw-back provisions for employee contributions</li> <li>• Custom client service portal</li> </ul> <p><b>Strategies</b></p> <ul style="list-style-type: none"> <li>• Retention planning with current deduction</li> <li>• Enhancing future income planning</li> <li>• Employer/employee funding options</li> <li>• Employer selects participants and funding levels</li> </ul>	<p><b>Split Dollar</b></p> <p><b>Features</b></p> <ul style="list-style-type: none"> <li>• Individual or corporate ownership</li> <li>• Taxed under economic benefit or loan interest (AFR)</li> <li>• Tax may be paid, bonused, or in some cases accrued</li> <li>• Loan on rollout proceeds, may be paid from policy cash surrender values or under corporate forgiveness</li> </ul> <p><b>Strategies</b></p> <ul style="list-style-type: none"> <li>• Retention planning without loss of asset on company balance sheet</li> <li>• Mitigate taxation to employee for premium expense</li> </ul> <p><b>Types</b></p> <ul style="list-style-type: none"> <li>• Collateral Assignment</li> <li>• Endorsement</li> <li>• Loan Regime</li> </ul>	<p><b>Select Employee Retention Plans (SERP)</b></p> <p><b>Features</b></p> <ul style="list-style-type: none"> <li>• Employer awards or contributions based on a formula with annual discretion</li> <li>• Provides incentives for key employee performance</li> <li>• Vesting schedule allows a company to achieve retention/reward goals</li> <li>• Provides a meaningful income supplement above the Qualified Plan limits</li> <li>• Provides for in-service distributions</li> <li>• Deductible and taxable upon distribution</li> <li>• Custom plan sponsor and participant service portals</li> </ul> <p><b>Strategies</b></p> <ul style="list-style-type: none"> <li>• Retention plan for highly compensated key employees</li> <li>• Retention agreements may be custom to select individuals</li> <li>• Discretionary selection and award plan designs</li> <li>• Typing individual and corporate goals and objectives</li> </ul>	<p><b>Deferred Compensation Plan</b></p> <p><b>Features</b></p> <ul style="list-style-type: none"> <li>• Permits select key people the ability to defer compensation pre-tax, usually as a supplement to a 401(k)</li> <li>• Employer has an option to make vested discretionary contributions on matching funds</li> <li>• Provide the option for select key employees to potentially significantly increase retirement income</li> <li>• Deductible and taxable upon distribution</li> <li>• Plan document</li> <li>• Annual election requirement</li> <li>• Custom plan sponsor and participant service portals</li> </ul> <p><b>Strategies</b></p> <ul style="list-style-type: none"> <li>• Additional income deferral</li> <li>• 401(k) spillover plan designs to capture lost corporate 401(k) matching</li> <li>• Future distribution planning both in-service and retirement/separation of service</li> </ul>

1 Life Income Plan - LIP® uses cash value corporate owned variable universal life insurance that tends to offer significant cash values in the early policy years because of its general lack of surrender charges and because in the event of a full policy surrender within a certain number of years, some policy charges may be refunded. These policies often include a minimum guideline death benefit and are structured to minimize death benefit expense yet retain the integrity of life insurance and the tax-deferral benefits.

2 While there are similarities between a Roth IRA and cash value life insurance, there are also differences. A Roth IRA is an IRS plan designed to facilitate retirement savings. Cash value life insurance is a contract that builds value and provides a death benefit backed by the claims-paying abilities of the issuing life insurance company. Carefully review all the features, benefits, and costs of a cash value life insurance policy. If a life insurance policy lapses, the client will lose the death benefit and may lose substantial money in the early years. To be effective, clients need to hold the policy until death. A life insurance policy generally takes years to build up a substantial cash value. Tax-free distributions will reduce the cash value and face amount of the policy and clients may need to pay higher premiums in the later years to keep the policy from lapsing. Clients must qualify medically and financially for life insurance, unlike a Roth IRA.