

Lincoln *LifeComp*[®]
DollarFlex



Structured solutions for
exceptional executive benefits

Lincoln *LifeComp*[®] DollarFlex is built for a better bottom line

Fortunately, there is a plan that offers your key employees the benefits they want without imposing unnecessary costs to your bottom line. It's *LifeComp* DollarFlex, and it gives your business and your selected employees a variety of important advantages.

With *LifeComp* DollarFlex, your business:

- Eliminates or significantly reduces bookable liability for benefits promised under an existing plan
- Receives a current business deduction for much of the plan's cost
- Books business assets to fully offset any nondeductible costs
- Deducts all premium costs or recovers nondeductible costs at the participant's retirement
- Eliminates continued financial obligation for benefits received by retired executives
- Receives full plan accounting and business services

Your key employees gain:

- Ownership interest in the funding vehicle prior to retirement
- Tax-deferred funds to supplement income at retirement
- Income tax-free death benefits for beneficiaries

Joint ownership provides control and flexibility

Lincoln *LifeComp*® DollarFlex leverages the tax benefits associated with universal life insurance to give your business the flexibility you need. Through joint ownership, the key employees you choose enjoy attractive retirement and death benefits, while your business maintains a significant portion of the plan's premium as a "bottom line" asset.

Here's how it works:

- 1 The business and the selected employee obtain a life insurance policy with a joint ownership endorsement.
- 2 This *LifeComp* DollarFlex document is the loan regime split-dollar agreement establishing the plan.
- 3 The business' premium contribution is taxed as a loan to the participating employee.
- 4 The employee pays income tax on the interest on the outstanding loan.
- 5 As retirement approaches, the employee can "buy down" the loan through a series of special salary bonuses.
- 6 By timing the amortization to the employee's retirement date, the employee can retire with full ownership of the policy.
- 7 The employee can use the policy's account values as a supplement to retirement income or to maintain a life insurance death benefit payable income tax free to beneficiaries.

Add even more options

With the help of your advisor and Lincoln, *LifeComp* DollarFlex can help you meet other business and personal needs including:

- Funding for business continuation plans
- Key executive indemnification
- Estate liquidity or family financial protection

Let Lincoln *LifeComp*[®] DollarFlex serve you

For a modest annual fee, *LifeComp* DollarFlex gives you a complete documentation, accounting, and plan administrative package that helps you reach your target and maintain accurate books. The full system provides:

- **Monthly accounting reports** that give you or your accountant the exact *LifeComp* DollarFlex entries for each plan month
- **Fiscal year-end reports** that provide precise balances for the previous twelve months
- **Annual reevaluations** that track your plan's progress relative to your original objectives
- **Annual reproposals** that illustrate corrective measures should the reevaluation detect shortfalls
- **Postretirement services** available to retired plan participants to monitor withdrawal/loan activity

LifeComp DollarFlex is offered only by specially trained representatives of Lincoln.

Put *LifeComp* DollarFlex into action

Simplify your business obligations, including key employee compensation. Talk to a Lincoln representative today about building a *LifeComp* DollarFlex plan that can offer the nonqualified benefits your key employees want at a cost favorable to your bottom line.

Planning on benefits beyond the basics

The competition for talent is as fierce as the competition for customers. For many businesses, standard qualified retirement plans may not be enough to retain key executives and highly compensated employees. While nonqualified plans such as deferred compensation or salary continuation can help provide incentives, they can also prove costly to your bottom line.

The right plan must help you:

- Overcome excessive bookable liability
- Deduct some or all of the cost of funding vehicles
- Eliminate ongoing financial obligation to retired participants
- Recover costs in ways not contingent upon the participant's death

At the same time, your plan should help your participants:

- Enjoy confidence in the security of their projected benefits
- Access their income benefits on a tax-advantaged basis
- Pass survivorship benefits to beneficiaries income tax free

Important note: Nonqualified plans operate in a clearly defined but complex regulatory environment. Professional plan administration is critical. Lincoln Financial Group offers plan administration for certain forms of Executive Bonus Plans, Loan Regime Split-Dollar Plans, Undivided Interest Plans, and Endorsement Split-Dollar Plans through the Lincoln *LifeComp*® platform. Lincoln Financial Group maintains relationships with several Third Party Administrators for Elective Deferral Plans and Supplemental Executive Retirement Plans. These Third Party Administrators are not affiliated with Lincoln Financial Group. For additional information, please contact your financial advisor.

Important disclosures. Please read.

This material was prepared to support the promotion and marketing of an insurance company product. Lincoln Financial Group® affiliates, their distributors, and their respective employees, representatives, and/or insurance agents do not provide tax, accounting, or legal advice. Any tax statements contained herein were not intended or written to be used, and cannot be used for the purpose of avoiding U.S. federal, state, or local tax penalties. Please consult your own independent advisor as to any tax, accounting, or legal statements made herein.

Not a deposit	Not FDIC-insured	Not insured by any federal government agency
Not guaranteed by any bank or savings association		May go down in value

©2007 Lincoln National Corporation

www.LFG.com

Lincoln Financial Group has filed a patent on the Lincoln *LifeComp*® system and its various programs which include *LifeComp*® ExecBonus, *LifeComp*® DollarFlex, *LifeComp*® DuoFlex, *LifeComp*® FlexKey, *LifeComp*® Private Estate Solutions, and *LifeComp*® Private Value Access.

Insurance company products issued by Lincoln Financial Group® affiliates. Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

Affiliates are separately responsible for their own financial and contractual obligations.

LFD0703-0580

LIF-1800-06 PPL 5/07

Order code: LIF-DOLFLEX-BR

