

iSERP™

A Personal Savings Plan for Selected Employees

Customized Executive Benefit Plans

For many individuals, the opportunity to defer income on a pre-tax basis may be very limited due to the statutory limitations under qualified plans.

A solution may be an **iSERP** (Individual Secured Executive Reward Program), an employer-sponsored supplemental plan where participant accounts potentially grow on a tax deferred basis. Properly structured, both principal and earnings can be accessed tax free¹.

Funding for this type of plan is done with after-tax employer and/or participant contributions. The **iSERP** can potentially deliver increased after-tax cash flow¹ compared with taxable alternatives.

ADVANTAGES OF THE **iSERP**

- Typically funded with a specially-designed, institutionally-priced variable universal life insurance (VUL) policy which provides death benefit protection and can provide efficient asset accumulation (cash value).
- Assets are owned by the participant, therefore not subject to claims of the employer's creditors, nor in most states by the participant's personal creditors.
- The program is portable and may be continued by the participant upon termination of employment.
- Participants can choose from 80+ equity and fixed income investment options. Currently, a participant's new contributions can be allocated among any 20 of the 80+ investment options².
- Potential cash value growth is tax deferred.
- Cash values can be accessed tax free¹ via policy loans and withdrawals and, generally, a tax free death benefit. Interest on policy loans may be offset by earnings on policy values. Loans and withdrawals decrease the death benefit and cash value.
- No penalties for accessing cash values prior to attaining age 59 ½.
- No mandatory distributions starting upon attaining age 70 ½.
- While often seeded with fixed employer contributions for some period of time, an **iSERP** can be funded entirely from voluntary participant contributions with no required employer match.
- Participant contributions are after-tax and are not subject to the statutory limits found in qualified plans – and contribution levels can vary from participant to participant.
- Loans are non-recourse and can be repaid from ultimate life insurance death benefits which with proper planning are generally estate tax free.
- If the insurance contract is surrendered or terminated prior to the covered participant's death, income tax may be due at ordinary income rates on gain over "basis" (cumulative contributions made).
- Low administration costs.
- Minimal reporting and disclosure and no annual filing requirements.

NYL Executive Benefits LLC

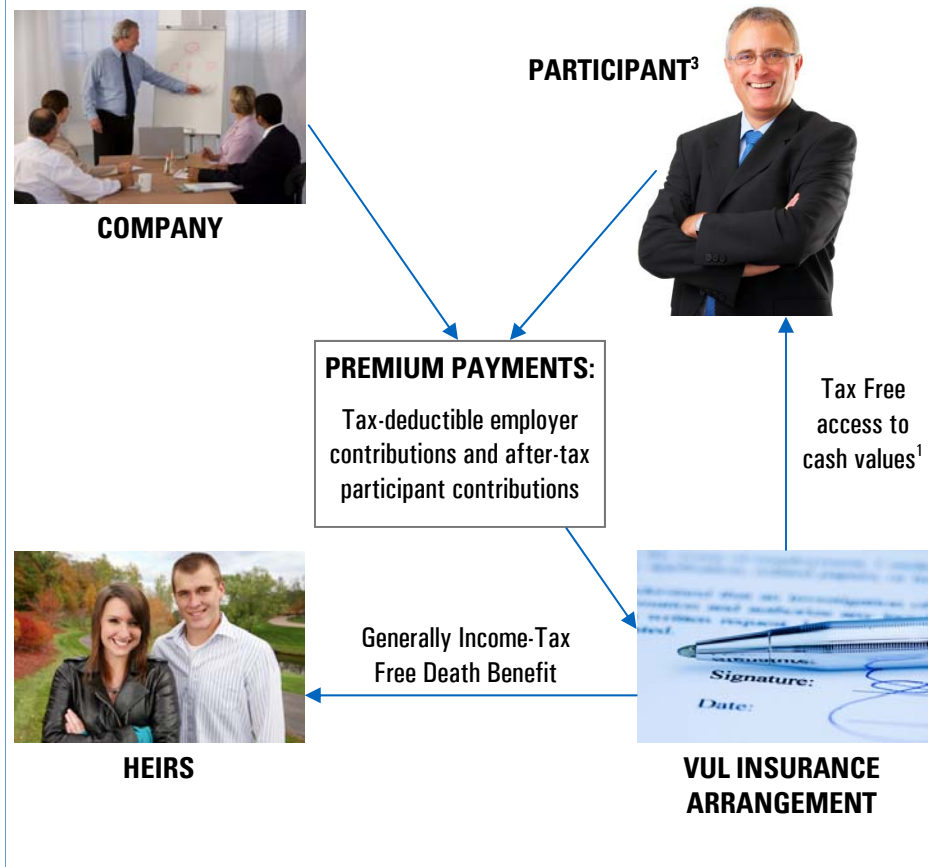
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HOW THE *i*SERP WORKS



ABOUT NYLEX BENEFITS

NYL Executive Benefits LLC (“NYLEX Benefits”) provides supplemental executive benefit programs to a wide range of clients. We focus on developing cost-effective executive benefit solutions that are designed to attract, reward and retain key employees.

Our services are designed to assist clients at all stages in the adoption and operation of executive benefit programs and include:

- Initial assessment
- Plan design
- Funding
- Plan implementation
- Ongoing administration

NYLEX Benefits’ professional staff includes the following professional disciplines, all dedicated to supporting our clients’ programs, processes, systems and services:

- Accountants
- Actuaries
- Attorneys
- Benefit specialists
- Insurance specialists

We take great care to assure that client programs are practical and that they are designed to achieve our clients’ strategic and operational goals.

For more information, call us at (203) 353-5800 or visit www.nylexbenefits.com.

¹Using policy cash value withdrawals or policy loans. Loans and withdrawals reduce the death benefit and cash value. Loans accrue an interest charge which offsets interest credited to the participant’s account.

²For allocating premiums under a variable universal life (VUL) policy.

³Participant is the policy owner and also the insured.

Investors in a VUL policy should consider the investment objectives, risks, and charges and expenses of the investment carefully before investing. Both the prospectus for the policy and the underlying fund prospectuses contain this and other information about the policy and underlying fund options. Please read the prospectuses carefully before investing.

There are risks associated with investing in variable universal life policies. Premiums allocated to the investment options are subject to market risk and will fluctuate in value.

Product issuer information and illustrations are provided following plan design and once a specific product is selected. Securities may only be offered by a properly licensed Registered Representatives of NYLIFE Securities LLC, Member FINRA, SIPC, a Licensed Insurance Agency.

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