

Nonqualified Executive Benefit Plan Comparison



"Company" is the employer sponsoring the plan and "Employee" is the participant in the plan.

The **LifeComp® DollarFlex** plan is a loan regime split dollar arrangement using a unique joint ownership arrangement and offering plan administration.

The **LifeComp® DuoFlex** plan is a undivided interest arrangement using a unique joint ownership arrangement and providing plan administration.

The salary continuation and deferred compensation plans are informally funded with life insurance policies and subject to Section 409A.

Feature	LifeComp® DollarFlex LifeComp® DuoFlex	Salary Continuation	Deferred Compensation
Ownership	DollarFlex - Employee owns all policy cash values in excess of Employer's net premium eventually may own the entire policy. DuoFlex - Initially, Employee owns a portion of policy cash values and eventually may own the entire policy.	Employee has an unsecured promise from the Company. Company owns life insurance policy at all times.	Employee has an unsecured promise from the Company. Company owns life insurance policy at all times.
Tax deductibility By Company	DollarFlex - Company may deduct salary bonuses for the loan interest and loan buy-down. DuoFlex - Company may deduct salary bonuses for the Employee's premium share and transfers of ownership interests to the Employee.	Company may not deduct any portion of premium. Company may deduct the benefit payments when paid to the Employee.	Company may not deduct any amounts deferred by employee or any portion of premium. Company may deduct the benefit payments when paid to the Employee.
Benefit accessibility	Both DollarFlex & DuoFlex - After end of joint ownership arrangement, Employee makes distributions whenever needed through withdrawals and/or loans from cash values.	Benefits may be distributed only at a time specified in the plan, or upon separation from service, death, disability, unforeseeable severe financial emergency or a change of control of the Company.	Benefits may be distributed only at a time specified in the plan, such as separation from service, death, disability, unforeseeable severe financial emergency or a change of control of the Company.
Taxation of lifetime benefits	Both DollarFlex & DuoFlex - Employee is taxed on all salary bonuses from the Employer. After the end of the joint ownership arrangement, Employee's withdrawals are tax-free to basis and loans may be taken without current income taxation.	Benefit payments are taxable to the Employee when received.	Benefit payments are taxable to the Employee when received.
Taxation of survivor benefits	Both DollarFlex & DuoFlex - Pre- and post-retirement policy death benefits received by the Employee's named beneficiary income tax free.	Pre- and post-retirement survivor benefit payments are taxable to the recipient when received.	Pre- and post-retirement survivor benefit payments are taxable to the recipient when received.
Company accounting treatment	Both DollarFlex & DuoFlex - Company carries no liability on its books under the plan.	Present value of promised benefits are accrued as a liability on the Company's books. Current policy cash surrender value is carried as an asset.	Present value of promised benefits are accrued as a liability on the Company's books. Current policy cash surrender value is carried as an asset.
Company obligation	Both DollarFlex & DuoFlex - Company involvement terminates when its ownership interest in the policy is ended	Company's obligation (and liability) continues until last benefit is paid.	Company's obligation (and liability) continues until last benefit is paid.
Effect of Company bankruptcy	Both DollarFlex & DuoFlex - In event of Company bankruptcy, only the Company's cash values are subject to bankruptcy proceedings.	In event of Company bankruptcy, Employee is treated as an unsecured general creditor.	In event of Company bankruptcy, Employee is treated as an unsecured general creditor.
COLI Best Practices (Pension Protection Act of 2006)	Not Applicable as defined	Applies	Applies
Plan documentation	Uniform plan documentation provided at no cost	Company must obtain plan document. Periodic updates for plan modifications and future guidance should be expected.	Company must obtain plan document. Periodic updates for plan modifications and future guidance should be expected.
Plan Administration	DollarFlex - available through LifeComp® DuoFlex – required and available only through LifeComp®	Company must provide or contract for accounting and plan administration services.	Company must provide or contract for accounting and plan administration services.

Disclosure

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