## A Group Carve-Out Plan in Action

## Here's how a group carve-out plan could work to selectively reward and retain your key employees...

## **BEFORE THE GROUP CARVE-OUT...**

In this example, the key employee has \$200,000 of group term life insurance, \$150,000 of which is taxed to the employee at Table I rates.



## **AFTER THE GROUP CARVE-OUT...**

The employee's group term life insurance is capped at \$50,000, on which there is no imputed income.



The other \$150,000 is provided by an individual cash value life insurance policy funded by the selected plan design option.

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