

# EBS Retirement Income Builder

A Flexible and Cost-Effective Planning  
Alternative for Key Employees and  
Professionals of Private and Non-Profit  
Organizations

**Non-Profit and Privately Held Organizations face several competitive disadvantages when designing compensation plans for executives:**

- Inability to offer equity compensation
- Limited types of supplemental savings and retirement plans
- Additional tax and state law restrictions that limit the flexibility of plan design
- Non-profit organizations face a 21% excise tax enacted by the Tax Cuts and Jobs Act. While the 2017 Act provided a tax windfall for Corporate America, it created a significant new cost of compensation arrangements for non-profit organizations

**The *EBS Retirement Income Builder* plan offers a Tax-advantaged and flexible planning alternative:**

- An employer and employee establish joint interest in a cash value life insurance policy with flexible investment options
- A specially designed Indexed Universal Life Insurance contract underlies the structure of the program and provides the key tax advantages
- The policy is owned by the participant, providing superior benefit security and control in comparison to a typical deferred compensation plan
- The policy is funded through premium loans from the sponsoring organization, secured by a security interest in the policy, which are repaid from policy cash value upon termination of employment, or from the policy death benefit



# The Benefits of the EBS Retirement Income Builder

The EBS Retirement Income Builder is funded with Split-Dollar Life insurance – our plan offers the following benefits:

## Participant Benefits

- “Roth-like” tax characteristics on distribution
- Market participation with downside protection
- No cost to the participant during accumulation
- Portability and benefit security provided by individual ownership
- Cost-effective life insurance coverage

## Plan Sponsor Benefits

- Premium loans are repaid with interest, reducing cost vs. cash and deferred compensation.
- Elimination of exposure to the 21% excise tax for non-profit entities
- Freedom of plan design due to relief from Section 457(f) restrictions
- Favorable Form 990 (or other) disclosure

## How does this apply to my organization?



EBS works with you to review the compensation and benefit programs offered to key employees and professionals for competitiveness, cost-effectiveness and, specifically, exposure to the 21% excise tax.



EBS offers plan design, carrier comparison, enrollment, underwriting, and ongoing administration.



EBS handles stress-testing, early termination analysis, policy performance risk analysis, and loan structure analysis.

Securities offered through Lion Street Financial (LSF), LLC, member FINRA & SIPC. Split-Dollar Insurance is not an insurance policy; it is a method of paying for insurance coverage. A split-dollar plan is an arrangement between two parties that involves “splitting” the premium payments, cash values, ownership of the policy, and death benefits. These arrangements are subject to Split Dollar Final Regulations that apply for purposes of federal income, employment and gift taxes. Regulations provide that the tax treatment of split-dollar life insurance arrangements will be determined under one of two sets of rules, depending on who owns the policy. Policy loans reduce death benefits payable and subject to interest rates as outlined in the policy. Indexed Universal Life Insurance is an insurance contract that, depending on the contract, may offer a guaranteed annual interest rate and some participation growth, if any, of a stock market index. Such contracts have substantial variation in terms, costs of guarantees and features and may cap participation or returns in significant ways. Any guarantees offered are backed by the financial strength of the insurance company, not an outside entity. Investors are cautioned to carefully review an indexed universal life insurance for its features, costs, risks, and how the variables are calculated. Neither EBS or LSF provide legal or tax advice. For complete details, consult with your tax advisor and attorney.