



## Split Dollar Arrangements Loan vs. Economic Benefit Regime Collateral Assignment vs. Endorsement

*Split dollar is an excellent executive benefit and estate planning technique available to business owners who wish to provide a benefit to reward and retain key executives, as well as to help executives with their personal and estate planning needs. Split dollar is not just for executives but can also work for the needs of the business owner, depending upon*

*the structure of the business entity. These arrangements come in several variations. Here's a chart that summarizes some of the main features sought after by business owners and the structure of the split dollar arrangement that may be appropriate.*

<i>IF YOUR CLIENT WANTS:</i>	<i>REGIME</i>	<i>METHOD</i>
Simplicity of Math	Loan – No Economic Benefit – Yes	Assignment – Yes Endorsement – Yes
Employee portability	Loan – Yes Economic Benefit – No	Assignment – Yes Endorsement – No
Control by the Business	Loan – No Economic Benefit – Yes	Assignment – No Endorsement – Yes
Employee Contribution to Premiums	Loan – Yes Economic Benefit – No	Assignment – Yes Endorsement – No
Employee Equity	Loan – Yes Economic Benefit – No	Assignment – Yes Endorsement – No
Lower Tax for Younger Employees	Loan – No Economic Benefit – Yes	Assignment – Yes Endorsement – Yes
Lower tax for Older Employees	Loan – Yes Economic Benefit – No	Assignment – Yes Endorsement – No

Please consult with your Guardian Financial Representative if you have any questions concerning this document.

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